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ABSTRACT

This final task force report contains a study of education and training needs of existing and future minority entrepreneurs and makes specific recommendations for the national effort to expand business ownership by minority persons. Ten chapters detail findings and recommendations; education and training: key to minority enterprise survival; the Federal leadership role, mobilizing the resources; task force recommendations; matching resources to needs; developing operational programs; getting the message across (recruiting participants, publicizing business opportunities, eliminating stereotypes); evaluation, demonstration, and research; delivering services at the local level; and recent initiatives and prospects for the future. Among the principal conclusions: An important relationship exists between management education and the survival of business enterprises; and the management education gap between minority and nonminority owners must be bridged. Also needed are greater support for existing programs; new initiatives for present and future minority businessmen; business ownership courses in the State and local educational establishment; and a combined public and private sector effort to make needed resources available for improvement of minority enterprise education. (NH)

ED 096542

REPORT OF THE TASK FORCE ON EDUCATION AND TRAINING FOR MINORITY BUSINESS ENTERPRISE

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Submitted to the Secretary of Health, Education, and Welfare, Caspar W. Weinberger and the Secretary of Commerce, Frederick B. Dent

JANUARY 1974

by the Task Force on Education and Training for Minority Business Enterprise

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Sponsored by the Interagency Council
on Minority Business Enterprise, Chaired
by the Department of Commerce

Chartered by the Department of Health,
Education and Welfare in cooperation
with the Department of Labor

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January 10, 1974

The Honorable Caspar W. Weinberger
Secretary of Health, Education and Welfare
Washington, D.C.

The Honorable Frederick B. Dent
Secretary of Commerce
Washington, D.C.

Dear Sirs:

I have the honor to present herewith the Final Report of the Task Force on Education and Training for Minority Business Enterprise. The Report contains a study of the education and training needs of existing and future minority entrepreneurs.

The Report of the Task Force draws a number of significant conclusions and makes specific recommendations which are important in the national effort to expand the scope of business ownership by persons from minority groups.

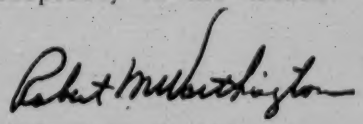
First, the Report points out that the alarming failure rate among small businesses is even higher for new business ventures started by minority group members. This failure rate is attributed primarily to the absence of managerial knowhow and technical skills. The Report concludes that there is an important relationship between education and training in management and technical skills, and the success and survival of business enterprises.

Secondly, there is a need to bridge the management education and training gap that currently exists between minority and non-minority business owners. Reducing this educational disparity will require concentrated and coordinated efforts at the national, state and local levels. Greater support for existing programs and provision for new initiatives is required to provide the education and training services needed by existing minority business owners, individuals planning to open a business, and minority entrepreneurs of the future represented by youth.

The recommendations contained in the Report call for increased support at the federal level, where few funds have been provided for education and training in conjunction with other minority enterprise programs. The education establishment, at the state and local levels, is urged to incorporate business ownership training courses and career awareness programs designed to reach minority youth.

Finally, the Report calls on both the public and private sectors to combine efforts in making available the resources needed to improve and expand minority enterprise education and training. The opportunity to obtain proper training in management and technical skills must be made available if the business enterprises established by minorities are to survive and prosper.

The impact of thriving minority enterprises is obvious: an improved economy within the minority community, additional employment opportunities, increased participation in the mainstream of business and commerce by minorities, and an increase in the overall prosperity of the Nation.



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PREFACE

This Report of the Task Force on Education and Training for Minority Business Enterprise is intended to shape a national policy and program for providing needed business management skills to existing and potential minority entrepreneurs. It is also intended to mold a system for introducing minority youth to the potentialities of business ownership as a career.

The past decade in the United States has seen accelerating but uneven progress by minority persons in many areas. The least progress has been made in developing successful entrepreneurial endeavors. Until this situation is reversed, minorities can not participate fully in the American economic system. The nation will continue to be deprived of the valuable contributions of a significant number of its citizens.

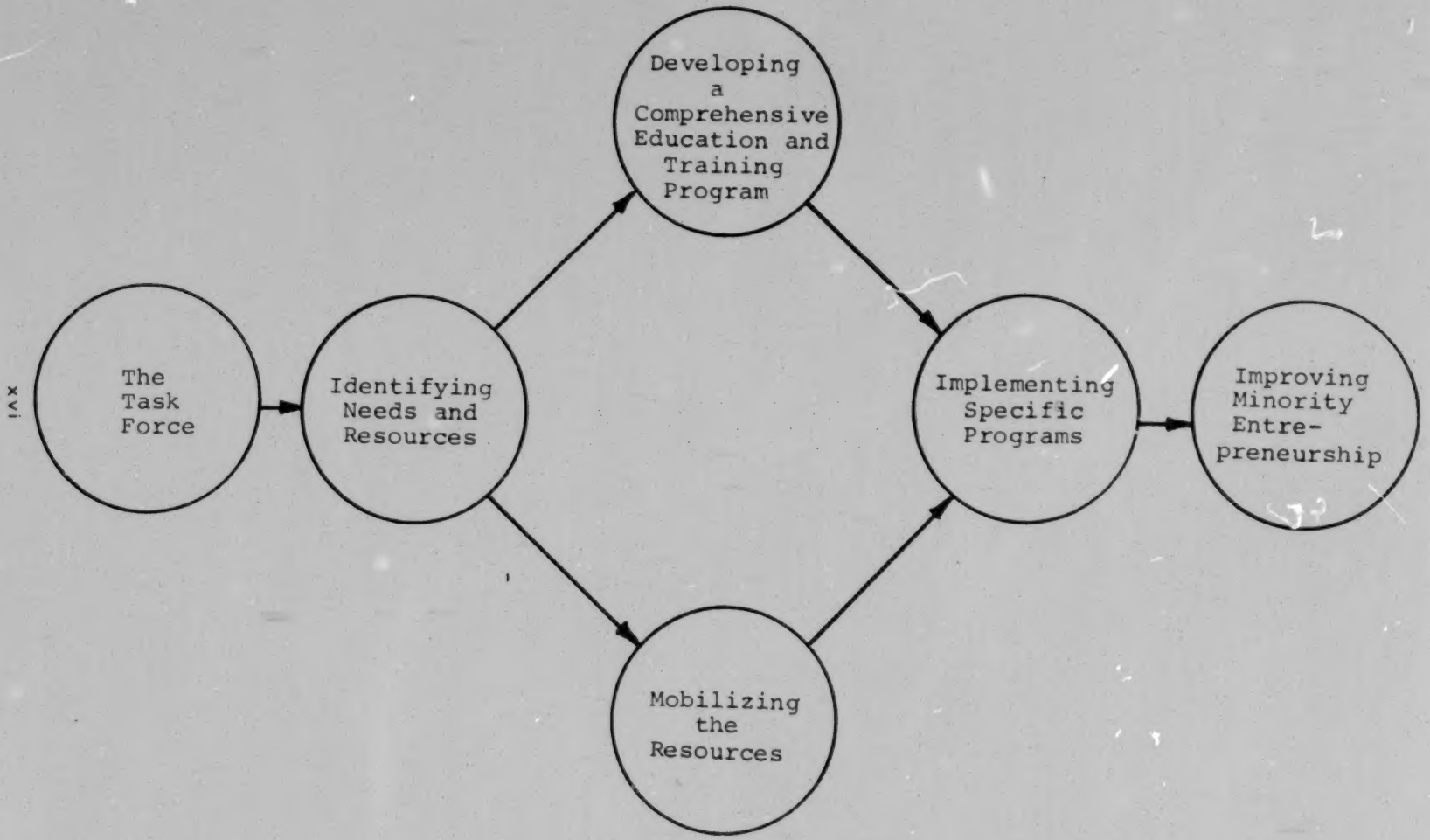
In view of this, the Task Force has identified the special education and training needs of minority entrepreneurs, and the resources required for effective action. This Report presents a roadmap for implementing programs involving the full range of public and private efforts. In the light of what has gone before and what exists today, this Report is a statement of what ought to be.

A twofold purpose

In the eighteen months since its inception, the Task Force has examined education and training as it relates to entrepreneurial activity. It has tapped the resources of its membership, and has held public hearings across the nation. It has examined carefully existing education and training programs, searching for applicable elements which ought to be carried forth. It has obtained advice from government officials, educators, bankers, ethnic groups, community leaders, and minority entrepreneurs. These activities were all directed toward a dual purpose:

- to chart a practical course for implementing programs which would respond to the needs of existing, potential, and future minority entrepreneurs.
- to mobilize the resources and the interest necessary for a comprehensive education and training program at the national, state, and local levels.

MISSION OF THE TASK FORCE



The Task Force believes it has accomplished these aims. In the Report which follows, the Task Force presents its findings, conclusions, and recommendations which focus on the essential issues of education and training for minority entrepreneurship. The Report prescribes a pluralistic approach for positive action in the immediate and long-term future.

Responding to an urgent need

The work of the Task Force was an experiment in program design and engineering. It was an effort to build bridges which would span the obvious gaps in business ownership between the majority and minority populations. The need for building these bridges was made clear by the then United States Commissioner of Education, Sidney P. Marland, in his opening address to the first General Conference of the Task Force in February 1972:

> The opportunity for full participation in our free enterprise system by socially and economically disadvantaged persons is essential if we are to attain social and economic justice for such persons and improve the functioning of our national economy.

The enormous scope and complexity of the task was also recognized early. The then Under Secretary of Commerce, James T. Lynn, (currently Secretary of Housing and Urban Development) highlighted the need for entrepreneurial education and training at the same General Conference when he said:

> What we have is a broad-based problem in this country. Our people don't understand the enterprise system. They really don't know what it has brought us. We enjoy the highest standard of living in the world. But, by and large, we don't understand it.

Under Secretary Lynn then reinforced the Administration's commitment to provide leadership for minority enterprise development. The Task Force's mission was in keeping with the Administration's initiative of fostering greater economic development and business opportunities for minority persons. Through the implementation of the education and training recommendations developed by the Task Force, the likelihood of a greater number of successful minority enterprises would be increased.

Preliminary considerations

It is necessary to recognize some of the basic considerations which shaped the thinking of the Task Force. These considerations are summarized below.

Education and Training

In keeping with its mandate, the Task Force concentrated on minority enterprise education and training, an area generally underestimated yet extremely significant in its import. The Task Force did not deal at any great length with issues of capital formation, accessibility to markets, or sources of supply. These important areas were dealt with by other specialized task forces. The focus here was on recommending specific programs in education and training for minority entrepreneurs.

Existing, Potential, and Future Entrepreneurs

The Task Force was charged with recommending programs for existing, potential, and future entrepreneurs. The following operational definitions were adopted for these three target groups:

> Existing Entrepreneur. One who is currently an owner or part-owner of a business.
>
> Potential Entrepreneur. One who is on the threshold of becoming an owner or part-owner of a business.
>
> Future Entrepreneur. A minority youth at the elementary, secondary, or postsecondary educational level, or one outside the educational system, who will have the opportunity to recognize business ownership as a possible career choice.

The Standing of the Task Force

The Task Force was established by the Department of Health, Education and Welfare in 1972 at the request of the Interagency Council on Minority Business Enterprise.

It derives its authority from Executive Order 11625, dated October 13, 1971, "Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprise."

The Report of the Task Force is submitted to the Secretary of Health, Education, and Welfare and the Secretary of Commerce. The Under Secretary of Commerce, as Chairman of the Interagency Council on Minority Business Enterprise, is responsible for coordinating the implementation of the comprehensive action plan recommended.

Some of the specific recommendations for Fiscal Year 1974 have already been presented to the Interagency Council in November 1973. The Council has accepted these recommendations and their immediate objectives.

Structure of the report

The Report of the Task Force addresses the following questions:

- What is the role of education and training in minority business enterprise development?
- What kinds of programs can be initiated to expand minority enterprise and improve its success factor?
- What resources will be required for such programs?
- How can the combined resources of the public and private sectors, at the national, state, and local levels, best be utilized to achieve the Task Force's objectives?

The Report provides a document from which required education and training programs will be launched. It has been prepared in two parts. The first section presents the Task Force's findings, conclusions, and recommendations, and describes the blueprint for a comprehensive program. The key elements of this program are:

- intensification of the national effort to expand minority enterprise development
- mobilization of new and existing resources to support education and training
- implementation of programs at the local level, with leadership provided at the national level.

Chapter One of the Report presents the major findings of the Task Force, its conclusions regarding the need for a comprehensive program, the elements required for implementing such a program, and a summary of the major recommendations.

Chapter Two is a general overview of education and training for minority enterprise. It explains the need for an education and training thrust, discusses the relationship between business management education and success, and describes the various target populations to which the Task Force's efforts are directed.

Chapter Three describes the leadership role of the federal government in providing support for minority enterprise education and training. A brief description of current government activities is included in this chapter.

Chapter Four describes the scope of public and private resources available at the state and local levels for implementing and expanding education and training programs. Selected programs are reviewed in brief.

Chapter Five presents the recommendations of the Task Force for establishing action programs of education and training. It explains the Task Force's approach to the recommendations, and describes the matching of resources to needs.

Chapter Six elaborates the kinds of program activity required for effective implementation of the comprehensive plan. It describes such areas as curriculum development, program operations, work experience programs, achievement motivation, and technical assistance.

Chapter Seven discusses communication and outreach as they are related to the objectives of the Task Force. Disseminating business and training opportunities to the minority populations is brought into focus.

Chapter Eight describes the role of evaluation and monitoring components in continually adjusting and revising training programs. It explains the need for demonstration and research projects within the comprehensive program, and how the priorities of activities have been arrived at. It also shows how each activity can contribute to the overall development effort, and provides some caveats to the potential funding sources.

Chapter Nine presents the framework of the overall system of delivery. It describes the interrelationship of the national, state, and local efforts required for effective implementation.

Chapter Ten describes briefly the accomplishments of the Task Force to date, and sets the stage for continuing activities in the immediate and long-term future.

The second section is the Appendix, which provides background information, empirical data, related developmental and technical material, and bibliography.

Chapter one

INTRODUCTION

FINDINGS OF THE TASK FORCE

ESSENTIAL COMPONENTS FOR AN EFFECTIVE PROGRAM

SUMMARY OF PRINCIPAL RECOMMENDATIONS

INTRODUCTION

During the past decade, minority enterprise development has become a national priority. It has emerged as a response to the dramatic lag in minority participation in American business ownership. Government efforts in this area have been recently mounted to reverse the trend, but the disparity continues to be evident. Federal commitment to expanding minority ownership has increased tenfold since 1967, through direct loans, financial guarantees and procurement contracts. The federal thrust has been matched by increasing interest and support from the private sector. These recent public and private efforts have focused primarily on the important problems of providing investment capital, access to sources of supply, and access to markets for minority entrepreneurs. In spite of this growing support, however, minority-owned enterprises are continuing to fail at an alarmingly high rate. Few of these new ventures show the potential for long range survival or major economic growth without permanent government subsidy. Minority entrepreneurs continue to face a number of serious problems. Development of management and business skills is a critical area that has received inadequate attention.

Findings of the task force

For eighteen months the Task Force on Education and Training for Minority Business Enterprise studied the important problem of developing management and business skills for existing and future minority business owners through education and training. The study led to six basic findings:

1. The alarmingly high failure rate of minority owned businesses is attributable primarily to poor management and business skills of the owners and managers of these enterprises.

2. There is a chronic shortage of trained minority talent available to meet the pressing need for owners, managers and business technicians in the growing number of new and expanding minority business firms.

3. Management and business skills are critical elements in the survival and successful growth of minority business enterprises.

4. Education and training programs designed to provide needed management and business skills must become an integral part of the national strategy to expand minority business ownership.

5. Entrepreneurship as a career opportunity for minority youth is given inadequate attention within the total educational system.

6. There is a wide range of existing national, state, and local resources which can be enlisted to support or conduct minority business enterprise education and training programs for existing, potential, and future entrepreneurs.

Based on these findings, the Task Force has concluded that a comprehensive program for minority business enterprise education and training must be established if the national goal of expanding minority business ownership is to be successful.

Essential components for an effective program

There are several major components that are essential for a comprehensive minority enterprise education and training effort. These components include:

- the development of basic business education and training programs geared specifically for minority entrepreneurs and their staffs

- the institution of communication and outreach programs which promote enterprise ownership and related training opportunities

- the mobilization of existing public and private resources to support or conduct education and training programs

- the initiation of evaluation, demonstration, and research projects to provide needed data, new program designs, and useful feedback for an effective system to deliver education and training resources and services to minority target groups at the local level

- the creation of a delivery system to insure that needed education and training services are provided to the target groups at the local level.

Business Education and Training Programs

New programs in basic business education should be launched and support should be provided to expand existing efforts. These programs should be based on the experience gained from existing management

education and the knowledge from programs that have been operated specifically for minority entrepreneurs. The program priorities should be:

- to correct the deficiencies in management and business skills of existing minority business owners and their staffs

- to provide education and training opportunities for adults who are potential business owners

- to develop appropriate training, career awareness and other motivational programs designed to reach the young entrepreneur of the future.

Communication and Outreach

A frequent complaint from the minority community heard throughout the Task Force's public hearings was the need for more effective communication about business venture and management training opportunities. New activities at the federal level and in the private sector are generating business opportunities for minorities that did not previously exist. To insure that minorities avail themselves of these opportunities, the appropriate federal agencies must improve their methods of getting the message across to the prospective recipients. They must detail the kinds of assistance available and help the entrepreneurs obtain the most useful education and training for their purposes.

At the same time, through career awareness, business experience, training, and counseling programs, minority youngsters must be reached at

an early age with meaningful information and advice on business and management as a possible career path.

Use of Existing Public and Private Resources

There is no need to reinvent the wheel in developing and implementing minority business education and training programs. The federal government, through such agencies as the Small Business Administration, the Office of Minority Business Enterprise, the United States Office of Education, and the Department of Labor, has accumulated valuable experience in small business management training generally, and in minority business enterprise education and training specifically. In addition, a number of private enterprise and community education and training efforts have been established in recent years. Private trade and professional organizations such as chambers of commerce, industry, trade, bar and accounting associations can do much to assist in providing practical guidelines for the needed business programs.

At the same time, the public education system and the network of postsecondary institutions have important present and potential programs which are relevant to successful entrepreneurship. Of particular significance is the role that can be played by the minority institutions and other colleges and universities that serve a large minority population.

The successful experiences of previously operated programs should be incorporated in newly developed education and training programs.

Evaluation, Demonstration, and Research Projects

Evaluation is a necessary ingredient of the comprehensive program. It is the means by which education and training projects can be adjusted and improved continually. A sustained monitoring process must be made a part of the total effort to insure that the best techniques and methods are used, and the greatest impact is had on the target population. No program in education and training should be funded without provision for systematic evaluation.

Demonstration and research projects must be initiated to obtain data on innovative curricula, teaching techniques, and relevant characteristics of minority entrepreneurs. Information from these projects must be applied to the design and operation of future programs to obtain the best possible training results. A series of data collection activities should begin immediately to provide a base for additional program planning.

Delivery of Education and Training Services

While the minority enterprise education and training effort will require a major new emphasis at the national level, the impact of such an effort can be felt only at the local point of delivery where minority business owners operate. To achieve the most effective use of all resources available, there must be a closer coordination of efforts and leadership among the various federal agencies that are contributing to the minority enterprise program. Similar coordination of resources is required at the state level. At the local point of delivery, new or existing mechanisms

must be formed or supported to insure that maximum use is made of the available resources.

Local education and training consortia should be formed to identify the needs of existing, potential, and future minority business owners in their local areas. At the same time, these consortia should begin to mobilize the resources required to meet the local needs. The consortia must also serve as permanent bridges to the established business communities in their local areas.

Summary of principal recommendations

To respond to the critical need for business management skills development, the Task Force has made recommendations which are essential to initiate, develop and implement a comprehensive education and training program for minority business owners. The principal recommendations are summarized below.

Establish Clear Direction at the National Level

At the present time, no single federal agency has ultimate responsibility for minority business education and training development. The programs proposed by the Task Force must be carried out. A major education and training thrust for minority business owners must be instituted immediately.

The Task Force recommends:

> a Special Implementation Committee be established within the federal government's Interagency Council for Minority Business Enterprise to coordinate the federal resources.

It further recommends:

> the Federal Interagency Committee on Education establish a Subcommittee on Minority Business Education which would assist the Interagency Council in formulating education and training priorities, mobilizing federal agency resources and helping to determine the role each agency can play in supporting minority education and training.

Establish Coordination at the State and Local Levels

The vast network of existing education and training resources that exist at the state and local levels must be coordinated to maximize the impact of the minority enterprise development program.

The Task Force recommends:

> each state establish a Task Force on Education and Training for Minority Business Enterprise. Local resources should be brought together as consortia to match the education and training resources with the needs of minority entrepreneurs in their areas.

Establish a Delivery System at the Local Level

The point of delivery for all education and training efforts is the local level, where existing, potential, and future minority entrepreneurs are found.

The Task Force recommends:

> the establishment of forty (40) local delivery systems to provide basic management training in maximum impact areas by the end of Fiscal Year 1974. The United States Office of Education, the Office of Minority Business Enterprise, the Department of Labor, the Small Business Administration, the Department of Agriculture, and the Department of the Interior should be enlisted to develop these local systems.

Develop Improved Curricula and Teaching Resources

There is a need to develop education and training courses that will meet the needs more completely of existing minority business owners.

The Task Force recommends:

> a Committee on Minority Enterprise Curriculum be established with representatives from private industry, postsecondary educational institutions and the federal agencies working in the minority enterprise area.

It further recommends:

> the Curriculum Committee address itself to the development of teaching programs for youth which will provide an early introduction to business economics, venture initiation, and the American free enterprise system. Postsecondary educational institutions, both minority and otherwise, should engage in cooperative efforts to develop improved curricula and teaching resources for minority graduate and undergraduate business students.

Increase the Support for Formal Business Education

Postsecondary educational institutions are an important source of training for potential minority business owners and managers. Minority colleges and universities, and other educational institutions with large

minority enrollments, can play a leading role in developing entrepreneurial talent.

The Task Force recommends:

> the federal and state agencies, in cooperation with schools of management and business administration, private businesses, and foundations, establish "minority enterprise" fellowships, scholarships and loans to support formal business training for minority students.

It further recommends:

> increased federal support be made available immediately to predominantly minority institutions of higher education to improve and expand their undergraduate and graduate business management programs.

The Task Force also recommends:

> the United States Office of Education, the Office of Minority Business Enterprise, and the Small Business Administration work with a select number of community and junior colleges and universities in developing a two-year program leading to an Associate degree in small business ownership.

Develop Pilot Career Awareness Programs

To test the concept and process of introducing business ownership as a possible career choice for minorities, pilot programs in career awareness and career training should be established and evaluated. The United States Office of Education, the Office of Minority Business Enterprise, and other federal agencies should work with elementary and secondary school systems and educational associations in developing these programs.

The Task Force recommends:

> a minimum of twelve (12) pilot programs in entrepreneurial career awareness and training be established for minority youth at the elementary and secondary educational levels, and for youth outside the established school systems.

It further recommends:

> a minimum of six (6) pilot programs in entrepreneurial career awareness and training be established for adults.

Establish Work Experience Programs for Potential Minority Entrepreneurs

One of the most important avenues for developing practical management and business skills is through work experience gained from on-the-job training.

The Task Force recommends:

> the federal government, working with private enterprise, increase apprenticeship, internship, and other work experience opportunities. These programs should be developed for minority persons studying in academic institutions as well as for those engaged in vocational training.

Recognize Cultural, Social, and Economic Variables Among Minority Target Groups

While the needs of minority business owners are generally the same in terms of management and business skills development, the method used to reach and instruct different ethnic and racial groups must vary.

The Task Force recommends:

the social, cultural, economic and historical differences of the various minority groups be considered in designing components of education and training programs. Bilingual instruction must be provided for non-English speaking minorities. Minority instructors and experienced minority businessmen should be involved in providing business education and training.

Chapter two

EDUCATION AND TRAINING: KEY TO MINORITY ENTERPRISE SURVIVAL

MINORITY BUSINESS OWNERS AND MANAGERS: A RARE COMMODITY
EDUCATION, TRAINING, AND BUSINESS SUCCESS
MINORITY BUSINESS OWNERS REQUEST HELP
THE TARGET GROUPS

EDUCATION AND TRAINING: KEY TO MINORITY ENTERPRISE SURVIVAL

A number of present day realities dictate the need for a special emphasis on business education and training for minorities. It is unnecessary to recount here the entire chronicle of long standing inequities. Decades of prejudice, poor educational opportunity, limited access to real management positions within American business and industry have conspired to restrict the entry of minorities into the mainstream of the nation's free enterprise system. The development of a significant number of minorities with middle or upper management experience and expertise has also been limited.

Minority business owners and managers: a rare commodity

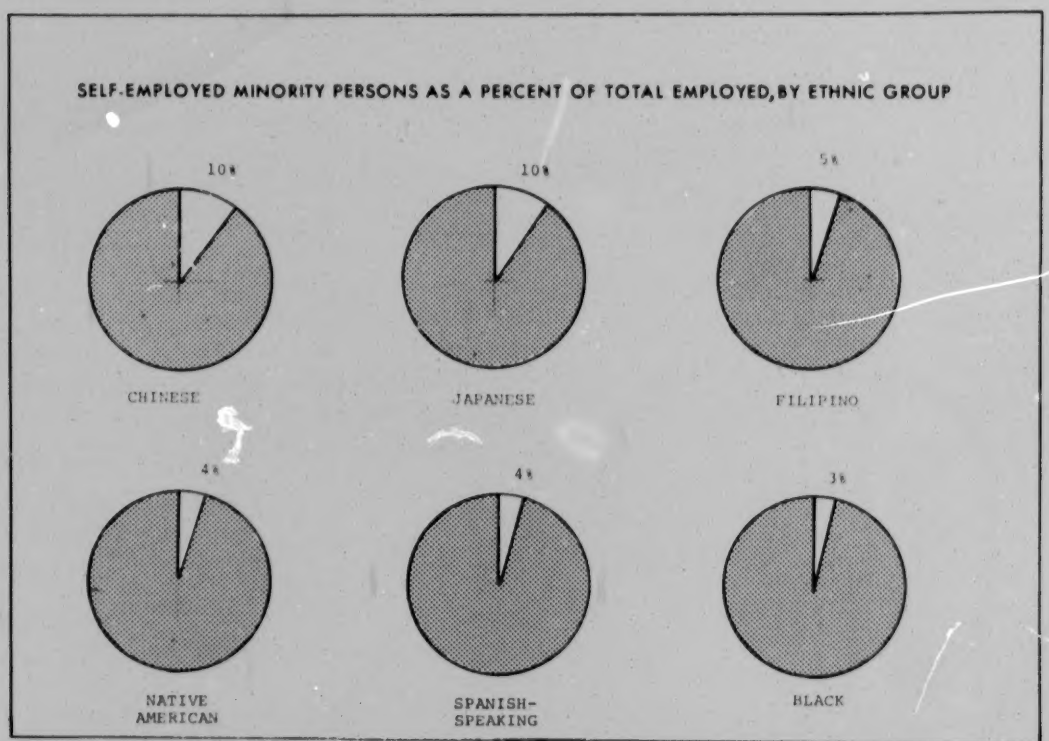
Exclusion from business participation is reflected in the relatively small number of existing minority business owners and managers. Proprietors and managers comprise less than 6 per cent of the total minority workforce. This six per cent level contrasts with a 16.1 per cent representation from the total non-minority workforce in comparable positions.[1]

Limited Business Participation

Restricted participation in entrepreneurial activities by minorities was dramatically illustrated in the special 1969 Census of Minority-Owned Businesses. Seventeen per cent of the population are Black, Native American, Asian-American, or of Spanish-speaking ancestry. These minorities control only 4.3 per cent of the total number of business enterprises

MINORITY PERSONS 16 YEARS OF AGE AND OVER BY CLASS OF WORKER, 1970

Class	Black		Spanish-Speaking		Japanese		American Indian		Chinese		Filipino	
	Number	Per-Cent	Number	Per-Cent	Number	Per-Cent	Number	Per-Cent	Number	Per-Cent	Number	Per-Cent
Total employed.....	7,961,143	100	2,893,630	100	263,972	100	190,233	100	183,562	100	131,555	100
Private Salary and Wage Workers.....	5,545,554	76	2,389,487	83	180,790	69	133,113	70	128,304	70	102,707	78
Government Workers.....	1,560,020	21	366,459	13	53,980	20	46,483	24	34,705	19	24,154	18
Self-Employed Workers.....	245,460	3	128,509	4	26,672	10	9,732	5	17,797	10	4,442	4
Unpaid Family Workers.....	12,129	0	9,175	0	2,530	1	901	1	2,756	1	252	0



Source: United States Department of Commerce, Bureau of the Census, Census of the Population, 1970

in the United States. Only 322,000 businesses were owned by minority group members in 1969.[2]

Gross receipts for these minority-owned businesses were only 10.6 billion dollars, about 0.7 per cent of the total receipts for all United States businesses.[3] These total sales were approximately equal to the total 1972 sales of one major American company, General Electric.

There are no minority businesses large enough to be included in the Fortune listing of the 500 largest American businesses. Motown Industries, the largest minority-owned business, has only about 20 per cent of the sales of the smallest company on the Fortune list.[4] The disparity in assets is even more striking. Minority-owned businesses accounted for only 0.3 per cent of all business assets in the United States in 1971. This 0.3 per cent equalled about 2.6 billion dollars out of the total United States business assets of 859 billion dollars.[5] The combined assets of all minority-owned banks and insurance companies is less than 0.2 per cent of the industry total of 1,607 billion dollars.[6]

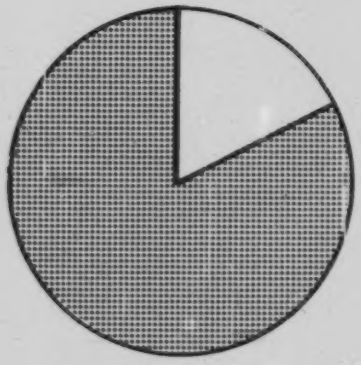
Minimal participation in business and finance has prevented minorities from obtaining extensive experience in establishing, owning and managing the vital instruments of a business oriented society.

Limited Formal Education

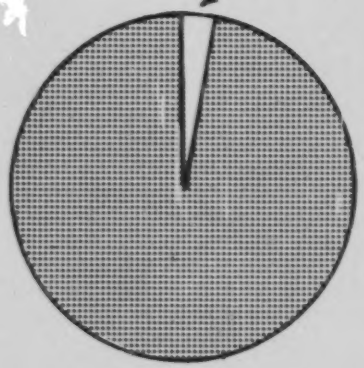
Because there were few success models of minority business managers or owners, and limited opportunities, very few minority students chose business ownership as a career objective. Historically, those minority

UNDERREPRESENTATION OF MINORITIES IN AMERICAN BUSINESS OWNERSHIP

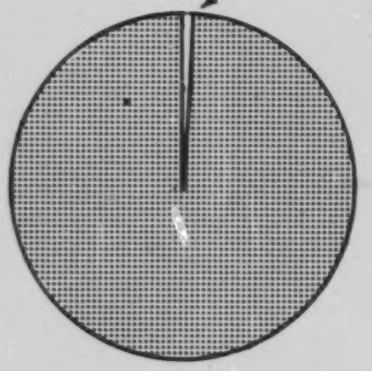
Minorities as a percent of the total U.S. population



Minority-owned businesses as a percent of total U.S. businesses



Net asset value of minority businesses as a percent of total U.S. business assets



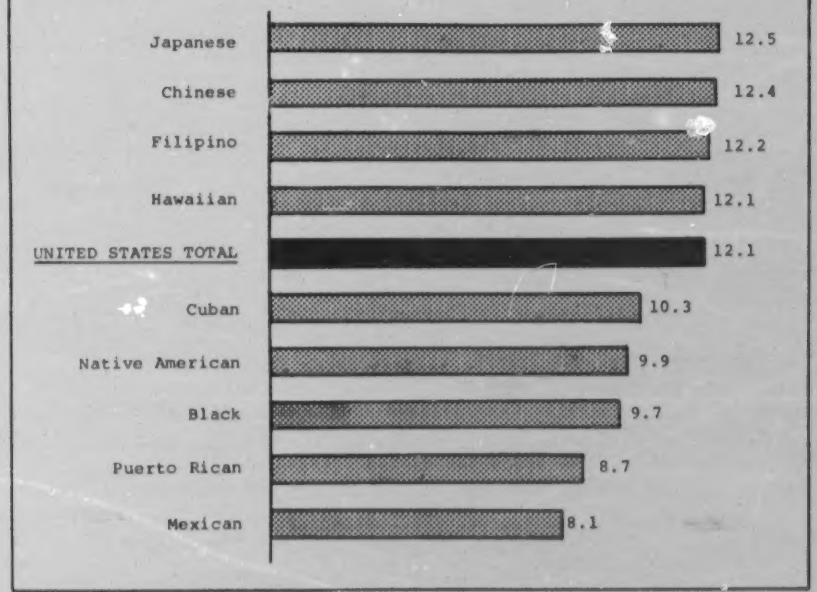
Source: United States Department of Commerce, Bureau of the Census, Census of the Population, 1970 and Census of Minority-owned Businesses, 1969

students who were successful in obtaining postsecondary education rarely selected business administration or graduate management studies as majors. The cumulative effect has been to limit the number of minorities who have any formal business education training.

In 1970, 10.6 per cent of undergraduates and 7.7 per cent of graduate students were from minority groups. Minorities generally complete less formal education than non-minorities. This is further accentuated in the area of formal business education and graduate education.

In the sixty years following the inception of American graduate business education in 1908, less than six hundred minority persons received graduate degrees in business. About 60 per cent received their degrees from the School of Business Administration at Atlanta University. In 1969, less than 2.5 per cent of candidates for doctoral degrees in business were minority persons. Today, less than one hundred and fifty minority persons have doctorate degrees in business or economics. Of almost 67,000 students enrolled in full and part-time masters programs in business in 1972, less than seven per cent are minorities.[7] This is highly disproportionate to the 17 per cent of total population. It would take more than 10,000 additional minority MBA students to approach parity. There were approximately 150 Black certified public accountants in the United States in 1969, slightly less than 0.2 per cent of the total.[8] The disparity which exists for other minority groups is even greater.

MEDIAN EDUCATION OF MINORITY PERSONS 25 YEARS OF AGE AND OVER, BY YEARS OF SCHOOL COMPLETED



MEDIAN INCOME OF FAMILIES

1970

Group	Median Income	Percent of White Income
Total United States.....	9,616	96%
White.....	9,977	100%
Black.....	6,063	61%
Spanish-Speaking	7,348	74%
Mexican	6,962	70%
Puerto Rican	6,165	62%
Cuban	8,529	85%
American Indian.....	5,832	58%
Japanese.....	12,515	126%
Chinese.....	10,610	107%
Filipino.....	9,318	93%
Hawaiian* ....Female 2,931	Male 6,485	

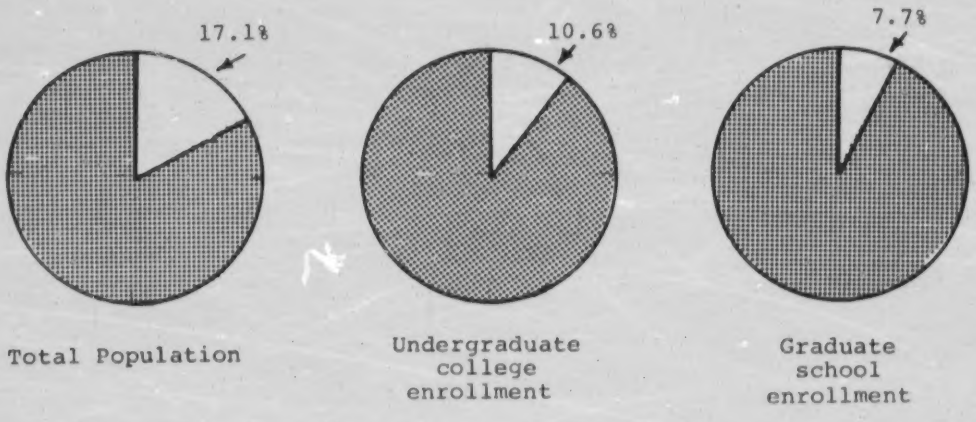
Source: U.S. Department of Commerce, Bureau of the Census, Census of the Population, 1970.

* Note: Family data are not available for Hawaiians. These figures represent median individual incomes.

U.S. COLLEGE ENROLLMENT, 1970

MINORITY GROUPS	UNDERGRADUATE COLLEGE ENROLLMENT	PER-CENT	GRADUATE SCHOOL ENROLLMENT	PER-CENT
American Indian	26,914	.5	1,290	.3
Black	344,819	6.9	16,334	4.2
Oriental	51,705	1.0	7,579	1.9
Spanish Surname	102,788	2.2	4,830	1.3
Minority	526,226	10.6	30,033	7.7
Other	4,439,542	89.4	362,329	92.3
TOTAL	4,965,768	100.0	392,362	100.0

MINORITIES ENROLLED IN HIGHER EDUCATION, 1970



Source: United States Department of Health, Education, and Welfare, Racial and Ethnic Data from Institutions at Higher Education, 1972

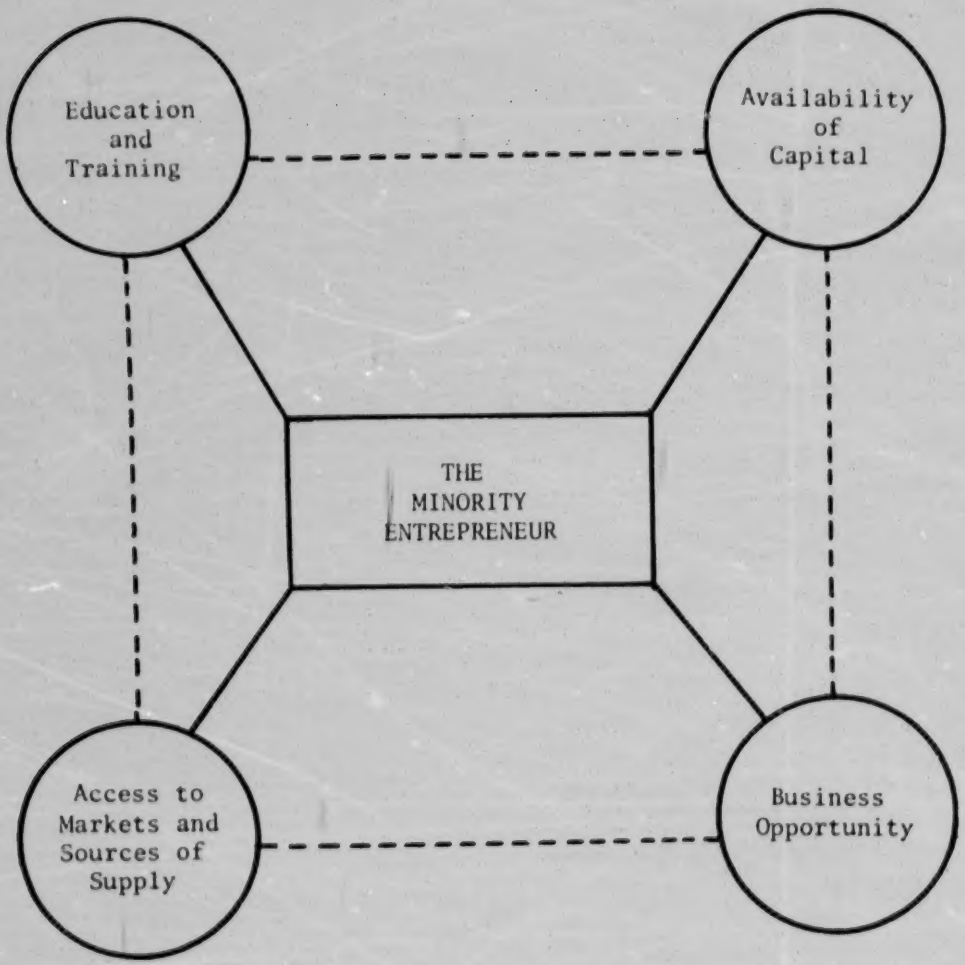
While 21.7 per cent of all white males age 25-34 years have completed four years of college or more, only 6.5 per cent of Black males in the same age category have that level of education.[9] At the same time, 58.7 per cent of Blacks over 20 have not completed high school, compared with 36.4 per cent of whites.[10] Furthermore, the quality of education provided to minorities is often not equivalent to that provided to non-minorities.

During the past decade there has been some general improvement in minority enrollment in college, and business management programs at the university level. This is due in part to a significant increase in demand and opportunity for minority graduates in the private sector. However, these enrollments remain far below non-minority enrollments, and no serious effort has been made to remedy this situation. The result is an absence of a deeprooted entrepreneurial tradition among minorities, and no available pool of trained talent with a cumulative experience in the wide range of management and business skills required for successful enterprise.

Education, training, and business success

The important role that competent management skills play in the successful operation and growth of a business has long been established. Approximately 90 per cent of all business failures are attributed to poor management skills of the business owners.[11] Basic reasons include: lack of planning, inadequate controls, poor accounting methods, insufficient

UNIVERSE OF MINORITY ENTERPRISE DEVELOPMENT



working capital, inability to read and understand financial statements, and inability to locate or unwillingness to accept expert advice when needed.

It has become clear during the past thirty years of economic growth in the United States that there is an important relationship between business success and educational background.[12] Much of this country's expanded economic growth during the twentieth century is due to a highly educated workforce.[13]

At the same time, economists generally ascribe the major part of increases in the nation's productivity to technological change. Most of the technological change since the Second World War has been in such sophisticated industries as electronics, chemicals, scientific instruments and aeronautics. All of these industries require highly developed management ability and a well educated, expertly trained workforce.[14]

In his study of entrepreneurship and technology, Edward Roberts describes a relationship between technology, education and small business success. Some of his insights can be applied to small enterprise development. Roberts studied about 170 firms established by former employees of laboratories and academic departments at the Massachusetts Institute of Technology. He found that 80 per cent of the firms studied were "successful." They were still in business and were profitable at the end of five years or more.[15] This is in marked contrast to the trend in small business failure. From his findings, Roberts concluded that there is a high correlation between success and what he defined as a "moderate" education level, a Master's degree. He described a new breed of business owner, a

"technical entrepreneur." This is a person of moderate education, between thirty and forty years of age, who is development and management oriented.[16] In each successful case the entrepreneur had recognized the importance of management skills and had taken appropriate measures to equip himself with the skills required.

The rapid growth of technology in the twentieth century has changed the complexion of the business world as has nothing else. As a result, many areas of business are in continual flux, trying to keep pace with new technological advances. New companies producing new products emerge daily. New areas of manufacturing and related industries have evolved, and a host of yet undefined areas of development are on the horizon. These areas of business opportunity must be opened up to the minority population so that minority enterprise can enter this attractive segment of the business community. Clearly, education and training are prerequisites to successful entry.

The Task Force believes that involvement of minority entrepreneurs in technological industries is essential for qualitative minority enterprise development. Included among these industries are aeronautics, communications, electronics, power generation and transportation, where the prospects for growth in an increasingly complex technological business world are greatest.

In addition to business education and training specifically, the process of education itself tends to foster innovation and creativity.

The Task Force feels that the greater the degree of appropriate educational attainment of the individual, the greater the probability of success in business. In an economic growth study in a related field, this point is made succinctly:

> It is clear that the farmer with a relatively high level of education has tended to adopt productive innovations earlier than the farmer with relatively little education. We submit this is because the greater education of the more educated farmer has increased his ability to understand and evaluate the information on new products and processes disseminated by various sources.[17]

Innovation, creativity, fluidity, the ability to perceive and adapt to changing situations, and to seize opportunities as they present themselves are significant success factors, and are generally the functions of a flexible, educated mind.

Minority business owners request help

The need for an expanded education and training program was expressed dramatically by existing minority business owners and other persons providing training for minority entrepreneurs and their staffs.

These individuals representing the various minority groups conveyed their requests before public hearings conducted by the Task Force in Albuquerque, New Mexico; Atlanta, Georgia; Los Angeles, California; Miami, Florida; New York, New York; and San Francisco, California. There were representatives from the Asian-American, Black, Native American and Spanish-speaking communities.

Mr. Hector Vasquez, Executive Director of the National Puerto Rican Forum in New York City, described pointedly the business education and training plight of Puerto Rican entrepreneurs and youth when he said:

> ...a precondition of development is the acquisition of the skills and knowledge necessary to function in a sophisticated business structure. For the most part, these essentials are scarce among minority group businessmen and managers, and little is done to offer them these skills...
>
> The Puerto Rican business community in the United States is in a rudimentary stage of development. It is deficient in business experience, technical and managerial skills, education and training. In addition, Puerto Rican businessmen do not know where to obtain such assistance, and more often the assistance is unavailable, especially in the Spanish language. This combination of a lack of language and business skills and cultural differences proves to be a formidable obstacle for Puerto Ricans seeking to operate effectively in business...
>
> Business education appears to be the single most important factor which can contribute to the ultimate solution of the plight facing the Puerto Rican business community...
>
> Puerto Rican youth in New York have not been sufficiently motivated and exposed to commerce and industry to produce a realistic perception of the requirements in these fields. Our schools provide them with only an education which does not include an insight into the more complex aspects of commercial activities such as merchandising, salesmanship, business organization, management, and advertising. Without sufficient exposure to these areas it is highly improbable that our youth will ever be stimulated to enter the business world. When they do, they are ill-equipped to succeed.

The particular education and training needs of Native Americans were made clear by Mr. David A. Lester, Executive Director of the Urban Indian Development Association in Los Angeles, California:

> Increased opportunities will benefit Indians to the degree that we are prepared to use them to our advantage. Education can be one avenue which this preparation can take...
>
> Education must be firmly based on reality... To be effective it must relate to realistic opportunities and problems. Education and training must have as its goal the development of Indian management for tribes, organizations and enterprises. In the Indian world all are interrelated...
>
> The courses and training should be aimed at several levels of management functions, including policy formation and technical skills in carrying out policy decisions. Included in the scope of educational activities should be tribal administrative needs with introduction of new models of administration. Without new models we will only effect a more efficient version of bureaucracy which has already failed...
>
> The needs of tribally owned business enterprises must also be responded to. Education and training for corporate functions is needed to make these enterprises profitable over the long term...
>
> Finally, the needs of private Indian enterprise must be met. These include not only training in management functions, but in keeping abreast of rapidly changing technology...

Mr. Antonio Olmi of the Small Business Administration Office, Albuquerque, New Mexico reiterated the need for special program designs for minorities:

> Why do fewer minorities go into business and why do a greater percentage of minority businesses fail? It is my judgment that the subject of these hearings is the overwhelmingly obvious answer, "education and training"...
>
> Although certain managerial techniques may be provided, they still tend to be introduced as representations of an economic system insensitive to socio-economic variations, without consideration of different ethnic values, without regard to educational backgrounds, and all too often presented by persons who give no consideration to the above.
>
> Of course, when there are linguistic barriers all the factors enumerated above are compounded. The minority businessman who would like to educate himself better is usually hard put to find the time or the money to go to school, run a business and also meet his family obligations...
>
> A new emphasis must also be directed to the youthful, more impressionable minorities prior to going into business...

Asian-Americans require a particular kind of business education and training. Mr. Jack Yuen, Co-Director of the Business Education and Training Center for Asian-Americans at Lincoln University, San Francisco, California, said:

> One of the questions I would like to consider is: what are the kinds of education and training programs that are needed?... Everyone has different experiences and different backgrounds, so I thought that in the Asian-American community we need to consider the needs of the newly arrived immigrant and the American-born ethnic and cultural minority...
>
> We bring over here many people who actually have excellent bookkeeping skills. But their system is single entry bookkeeping, and in America it is double entry bookkeeping. So, when these fellows go downtown, the first question people ask is: what is your language ability; and secondly, do you know the American

> system of bookkeeping. Clearly, with some adaptation the person can become fully prepared. At the moment there are no specialized training programs that will help a person adapt...
>
> For many Asian-Americans there is a need to acquire English skills. Many have excellent skills in English but their speaking cadence is somewhat different than ours. They do not speak American English...

Dr. Jose Angueira, Associate Professor of Political Science at Miami-Dade Junior College, Miami, Florida, explained the unique situation in the gradual assimilation of the Cuban-American community:

> ...education and training for minority entrepreneurship involves not only businesses owned and operated by members of a minority group and serving the general public, but also those enterprises catering to the cultural needs of a particular minority group... Fourteen years ago, when the Cuban migration began, all that most of us could bring to the United States was our labor and know how, together with the fruits of a four hundred year old culture...
>
> A great number of our entrepreneurs have given themselves to the task of recreating here many of the manufacturing and service industries previously existing in Cuba in order to meet the typical consumer needs of the Cuban culture...
>
> The gradual Americanization of the Cuban exiles, especially among the younger generation, presents a problem. As they become more assimilated into the mainstream of American life, the consumption of minority group products is bound to diminish... We must show the necessary foresight now to prevent the disappearance of those skills which are required for the survival of these minority businesses...

Mr. Donald Jefferson, Associate Director of the Southeastern Institute of Entrepreneurship and Management in Atlanta, Georgia, presented an overview of Black entrepreneurial training needs:

> The motto of the Southeastern Institute of Entrepreneurship and Management is "Give me a fish and I live for a day; teach me to fish and I live for a lifetime"...
>
> This is the kind of thing that has not been accessible to the minority person... Ordinarily, entering business was not considered a viable option in the Black community. Blacks tended to go into the professions, the ministry, and entertainment, or sought employment that would guarantee a continuing source of income...
>
> Entrepreneurial training must address itself to "achievement motivation," the will to achieve, the ability to set a realistic goal, and the ability to plan accordingly. Minorities must be able to say, "I'm going to make it. There is some correlation between my success and how hard I work, how well I manage my business and how well I plan and organize. I may fail because I fail to do some of these things, but I don't fail because I'm Black."...
>
> We must start as early as possible with the young people when they are in the most fertile years of life, when you can change habits and attitudes before they are ingrained ... or the fact of failure becomes part and parcel of one's thinking. That's where the failure is; it's in a person's mind...

The target groups

Business education and training programs will be directed to assist the following minority groups:

- Asian-Americans

- Blacks
- Native Americans
- Spanish-speaking Americans
- Minority women

Within each minority group, programs will be designed to provide training for existing, potential, and future entrepreneurs. To determine what kinds of programs are needed and which efforts will have the maximum impact, it is important to understand the characteristics of the target recipients of proposed training. The target groups for special management and business skills development may be divided into three classes:

Existing Owners of Business Enterprises

Whatever their formal or informal training and experience may be, the existing minority business owner is the primary target for immediate education and training assistance. These individuals include those who are highly motivated and experienced and who possess some ability to make sound business decisions, and those who have been thrust into business ownership by accident. The latter group is frequently unprepared for what happens to them day after day, and may have little knowledge of where to seek assistance. Most minority entrepreneurs fall somewhere between these two extremes.

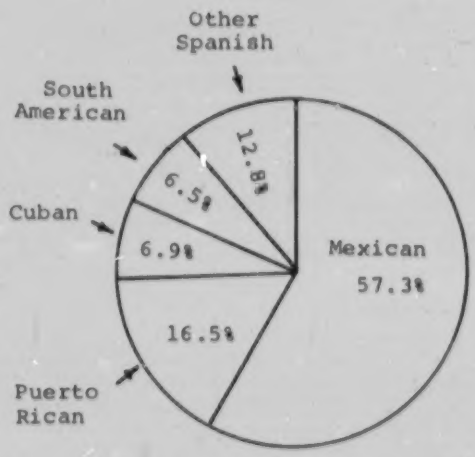
The typical minority business owner today has more knowledge of the operating aspect of a business than of the administrative procedures required. In addition to little overall experience, these business owners generally have limited access to sources of supply and markets, and

THE SPANISH-SPEAKING POPULATION BY ANCESTRY, 1972

(in thousands)

ORIGIN	ALL GROUPS	TOTAL SPANISH	MEXICAN	PUERTO RICAN	CUBAN	SOUTH AMERICAN	OTHER SPANISH
U.S. Total Number.....	204,840	9178	5254	1518	629	599	1178
Percent of U.S. Population..	100	4.5	2.6	.7	.3	.3	.6
Total Number in Five Southwestern States.....	36,894	5429	4549	N.A.	N.A.	N.A.	N.A.
Percent of Group's Total Population in Five Southwestern States.....	18	59	86	N.A.	N.A.	N.A.	N.A.

DISTRIBUTION OF THE SPANISH-SPEAKING POPULATION BY ANCESTRY



Source: United States Department of Commerce, Bureau of the Census, Current Population Reports, Persons of Spanish Origin in the United States, 1972

insufficient risk and credit capital. They are the business operators who spend from 60 to 90 hours a week with their business, often involving their spouses and children.

For the most part, minority businesses do not have personnel qualified to run the operation while the owner participates in a full-time management training program. Evening hours are not usually available for training purposes because these owners work late and spend much of the time after closing reviewing accounts and ordering needed merchandise.

In designing programs for existing minority business owners, these general characteristics as well as other important factors will be taken into consideration.

Potential Owners of Business Enterprises

Potential entrepreneurs are those contemplating the advantages of being their own boss and are on the threshold of becoming a business owner. Frequently, these are persons who have worked in a successful business for years and believe they can now operate a business of their own. A number of persons develop a particular occupational skill and attempt to organize a business around this skill. Some receive money unexpectedly and decide to invest in a business endeavor. Other potential business owners are influenced by the success of a friend or relative, or are forced into thinking about business ownership after a sudden career interruption.

Many entrepreneurs find the transition to ownership more difficult than anticipated. Education and training programs should be designed to help potential business owners develop the necessary management and business skills, and assist them in making an intelligent assessment of the prospects for survival.

Many of the programs developed for existing business owners can be adapted readily to meet the needs of the potential owner. An employee or unemployed person contemplating a business venture will have more opportunity to participate in management training programs.

Future Owners of Business Enterprises

The minority persons who are the future business owners fall into several categories. These range from youth at the kindergarten level up to college students. Also included are those students who have dropped out of the established school systems. For long range development of minority entrepreneurship, the future business owners are an important target group for education and training. This group will not have to "unlearn" bad management habits or overcome poor business skills if proper training is made available at the right time.

> College Students. This group includes students who are enrolled in undergraduate and graduate schools as well as students who attend two-year junior and community colleges. The group also includes students who may be attending postsecondary vocational

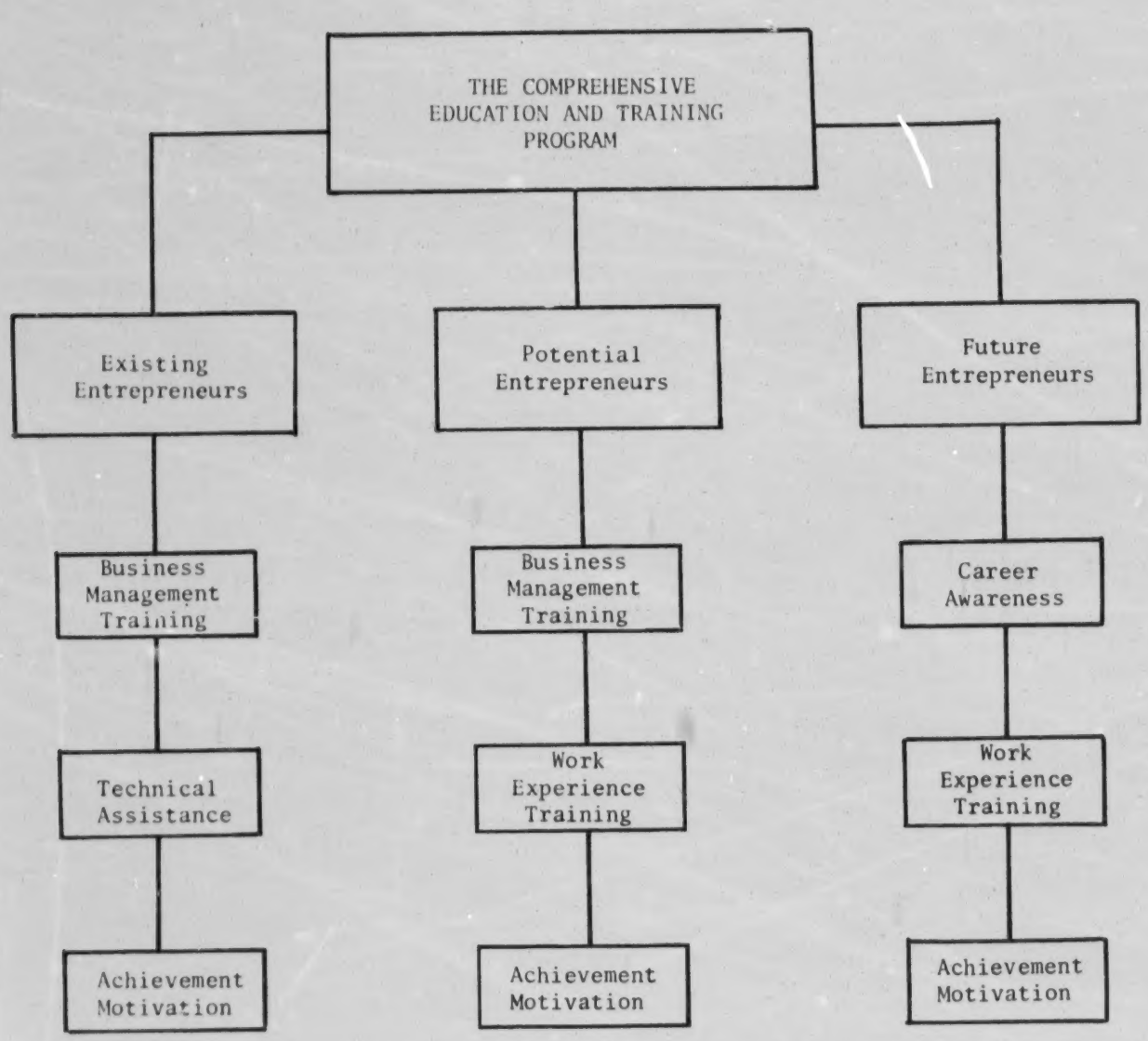
institutions. The students from all these sources are the business owners and managers of tomorrow.

While in college, these youth should be exposed to the best theoretical training available and to practical training that relates to problems of small business management.

As a general rule, minority youth who receive post-secondary training in business management will enter business firms in a staff operations capacity at a lower to middle management position. Through employment, minority youth can develop some of the management and business skills needed in business ownership. The more formal business education and training received and the more practical experience obtained by minority business owners before opening their own business, the less likely egregious business errors will be made or go undetected for a long period. At the same time, a person so trained is more inclined to respond to the need for additional management and business skills training.

High School Students. Most minority high school students become employees in business firms after leaving school. While some will become officers or owners in substantial firms, other high school students will

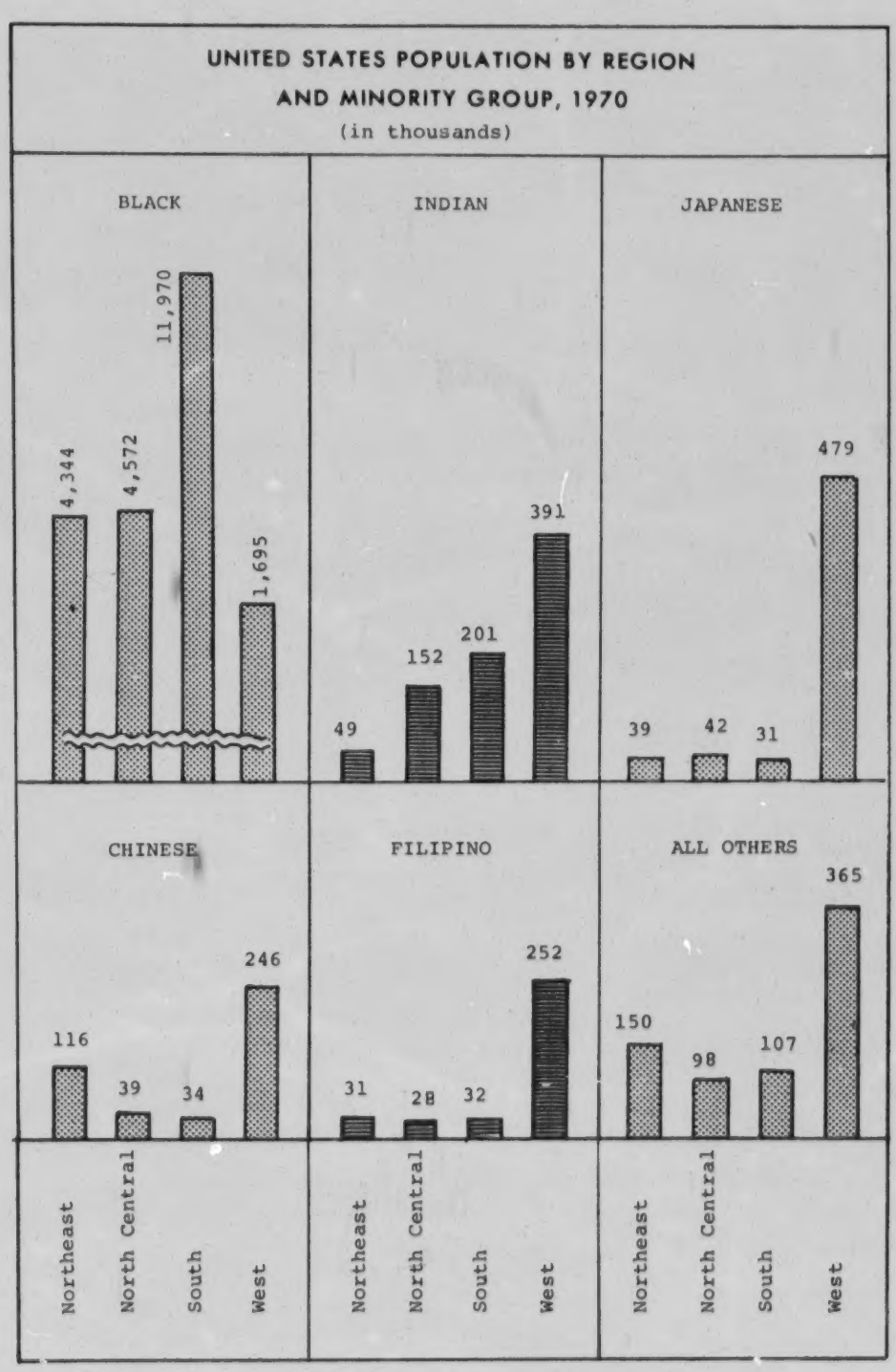
TARGET GROUPS



find themselves in business ownership or management positions with smaller firms. For these students, as well as for those who pursue postsecondary studies, a better grounding in economics, venture initiation, and business management is vitally needed. In addition, career awareness programs at the high school level should emphasize the possibility of business ownership as a career choice.

Kindergarten through Eighth Grade Students. The purpose of the early years in school is to help to provide students with the proper foundation to understand the complex society in which they live, including the responsibilities and opportunities presented by that society.

As part of their learning experience, students should be exposed at an early age to economics and the free enterprise system. They should also be provided with some knowledge of occupational opportunities existing in the professions, government, education, and business. Minority youngsters need the kind of exposure and training that school can provide in early career awareness, basic economics, and the American business system.



Source: United States Department of Commerce, Bureau of the Census, General Population Characteristics, 1970

Notes

1. U. S. Department of Commerce, Bureau of the Census.

2. Department of Commerce, Bureau of the Census, Minority Owned Business: 1969 (Washington, D. C.: U. S. Government Printing Office, November 1971), pp. 1-2.

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Chapter three

THE FEDERAL LEADERSHIP ROLE

THE INTERAGENCY COUNCIL ON MINORITY BUSINESS ENTERPRISE

THE FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

FEDERAL AGENCY RESOURCES

COMBINING FEDERAL RESOURCES

44/45

THE FEDERAL LEADERSHIP ROLE

Leadership by the federal government has been a vital element in promoting the expansion of minority business ownership. Development of education and training services required to improve the quality and growth potential of existing and newly established minority firms will also require a strong leadership role at the federal level.

Support for much of the education and training services needed by existing and potential minority business owners can be provided in harmony with the current network of government sponsored minority enterprise development activities. However, at the outset, a procedure for mobilizing and coordinating all government activity relating to minority enterprise education and training must be established.

The Interagency Council on Minority Business Enterprise

The Interagency Council on Minority Business Enterprise was established to coordinate government activities and to focus them on meeting the needs of minority business development. The Interagency Council is chaired by the Under Secretary of Commerce and has representation from some twenty government agencies at the under-secretary level. The Task Force on Education and Training for Minority Business Enterprise was established in 1972 at the request of the Interagency Council.

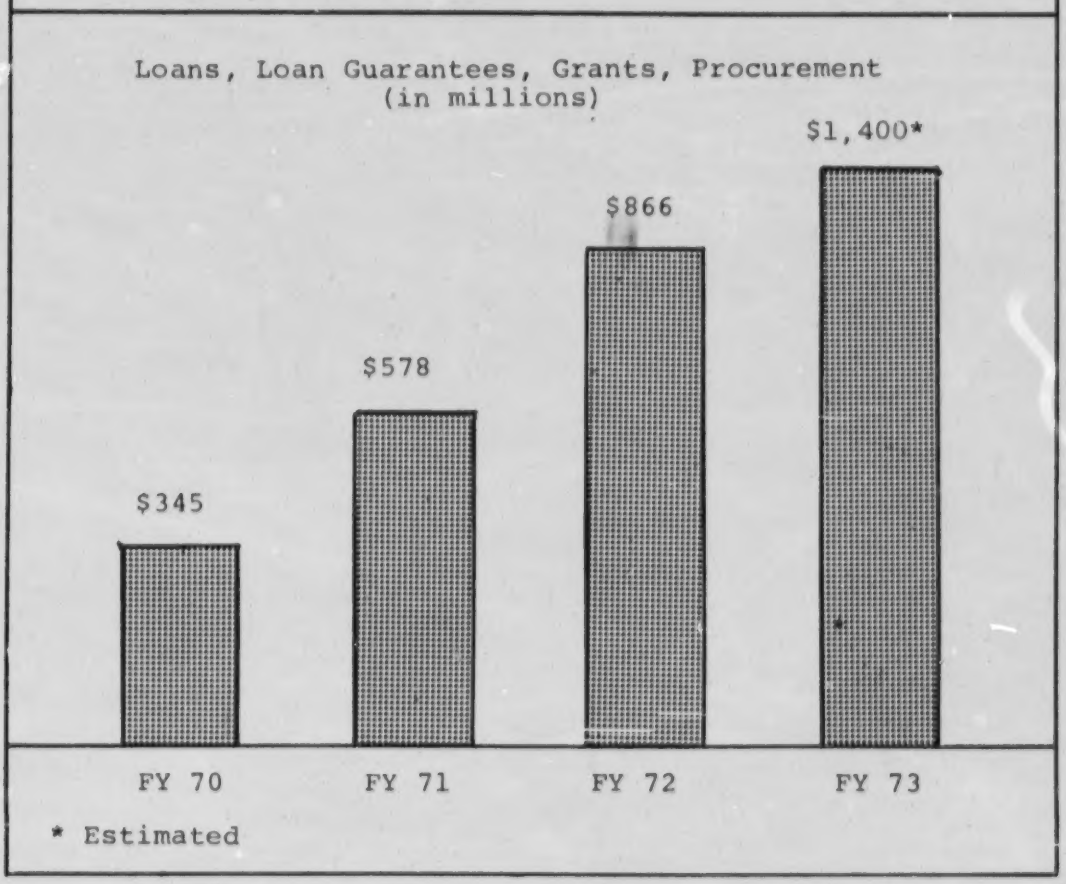
In its Report, the Task Force recommends that a Special Implementation Committee within the Interagency Council should be established immediately to carry out the education and training initiatives set forth by the Task Force and to insure that minority enterprise education and training efforts receive top priority in the allocation of resources by the various government agencies.

The Federal Interagency Committee on Education

Another vital coordination mechanism at the national level is the Federal Interagency Committee on Education (FICE). FICE was established in 1964 with the authority to coordinate the educational activities of all federal agencies. Chaired by the Assistant Secretary for Education in the Department of Health, Education and Welfare, FICE provides the means by which agencies in the executive branch of government can administer educational programs and develop education legislation cooperatively. At the request of the Task Force, FICE has established a Subcommittee on Minority Enterprise Education and Training. This Subcommittee of FICE should work closely with the Interagency Council in formulating minority enterprise education and training priorities, mobilizing new and existing federal resources, and reviewing all contracts and grants having a direct or indirect relevancy to minority entrepreneurial education and training.

With the leadership of the Interagency Council on Minority Business and the direct assistance of FICE, federal agencies will be greatly aided in shaping new and expanding existing entrepreneurial education and

FEDERAL FUNDING FOR MINORITY BUSINESS DEVELOPMENT



Source: United States Department of Commerce, Office of Minority Business Enterprise, 1973

training activities. The Council's Special Implementation Committee should act as a clearinghouse for these agencies in exchanging ideas and information, sharing program evaluations, and distilling the best features of specific education and training activities for possible use by other groups and organizations.

Federal agency resources

In recent years, a number of federal agencies have developed programs supporting minority enterprise education and training. The Special Implementation Committee of the Interagency Council should begin by examining these activities. Agencies which have made program commitments in the past should be encouraged to continue their efforts and to incorporate new initiatives recommended by the Task Force. Federal agencies not now participating should be urged to do so. The following agency activities are illustrative of the government sponsored education and training programs that have been undertaken and exemplify the scope of federal resources that are available to support an expanded education and training effort.

United States Department of Health, Education and Welfare

At the federal level, the government agency which has the widest experience in the field of education is the Department of Health, Education and Welfare (HEW). Because of this experience, HEW was requested by the Department of Commerce to establish the Task Force on Education and Training for Minority Business Enterprise, and to provide leadership in

conducting the work of the group. The Chairman, appointed to head the Task Force, was the Associate Commissioner of Adult, Vocational and Technical Education from the Office of Education.

Within HEW, the United States Office of Education became active in support of minority enterprise education and training efforts. This recent support emanates primarily from the Bureau of Occupational and Adult Education which has cooperated closely with the Office of Minority Business Enterprise in developing specific programs. Examples of HEW supported activities include:

- The Institute for Minority Business Education. An ongoing HEW program is the Institute for Minority Business Education (IMBE) located at Howard University. Now in its fourth year, IMBE conducts training programs primarily for staff members of minority business and economic development centers around the nation. The Institute also functions as a research group for the Office of Minority Business Enterprise.

- Three Pilot Education and Training Programs. In 1973, HEW supported the establishment of three pilot education and training components for OMBE sponsored Business Development Organizations in Washington, D.C.; San Diego, California; and New Orleans, Louisiana. The essential function of the education and training components was to identify the education and training needs of the local minority business owners and locate resources within the community to meet those needs.

- Asian-American Business Education Center. HEW launched the first Business Education and Training Center for Asian-Americans in the United States at Lincoln University in San Francisco, California in 1972. The purpose of the Center is to conduct an educational program designed specifically for training and upgrading Asian-Americans who wish to develop their entrepreneurial and management skills. The instructional program provided at the Lincoln University Center is geared to prepare trainees as managers and owners of small businesses.

- Support for Minority Formal Education. HEW has provided some financial support for minority candidates for M.B.A. degrees in universities across the nation.

- Other Program Initiatives. Other minority enterprise education and training programs supported by HEW included a Management Training School in Texas for developing and upgrading the entrepreneurial skills of Spanish-speaking Americans and a similar program for American Indians in Montana.

Overall, more than three million dollars have been spent by HEW for specific minority enterprise education and training endeavors. The Task Force encourages the Department of Health, Education and Welfare to expand its current support of minority enterprise education and training activities. As indicated, the primary source of HEW support has been the Bureau of Occupational and Adult Education in the Office of Education. Other departments within HEW can also play a much greater role in improving the level of minority business education and training.

Certain units under the Commissioner of Education and the Director of the National Institute of Education also have the capacity of responding to the needs of minority entrepreneurs. In addition to the Bureau of Occupational and Adult Education, the Bureau of Elementary and Secondary Education, the Bureau of Higher Education, and the Fund for the Improvement of Postsecondary Education can supply financial and planning resources for existing and new education and training programs for minority business ownership. In addition, matching funds provided to universities by HEW's Community Service and Continuing Education Program can be used to assist a number of programs which offer education and training opportunities for minority entrepreneurs.

HEW also can render tangible support for minority enterprise education and training through its leadership of the Federal Interagency Committee on Education (FICE). HEW's Office of Education can provide guidance to the other federal agencies in the development of their individual programs for minority enterprise education and training.

In the area of curriculum development, HEW should play a leading role, along with the Office of Minority Business Enterprise and the Small Business Administration, in developing basic business courses, improved curricula, and education and training programs tailored to meet the individual needs of the various minority groups and the special needs relative to particular industries.

For the entrepreneurs of the future, HEW should take the lead in increasing financial assistance for minority graduate and undergraduate institutions to improve their curricula and teaching resources in the business education area. Similar assistance should be provided to other institutions which will provide such services to potential minority entrepreneurs.

HEW should also lead in energizing the educational establishment to realize the importance of preparing minority students, as well as other youngsters, for possible careers in business management and ownership. All youth of the nation, not only minority, should be provided with a proper understanding of the American free enterprise system and the important role entrepreneurship plays in the economic growth and survival of the nation.

To accomplish this goal, major business orientation, education and training programs must be institutionalized. HEW has to provide the leadership for the educational community in realizing the need for such an effort.

The Office of Minority Business Enterprise

Established in 1969, the Office of Minority Business Enterprise (OMBE) is part of the United States Department of Commerce and is charged with coordinating the entire range of government activities designed to foster, strengthen, and expand minority business ownership. In its short history, OMBE has accumulated a greater store of knowledge about minority enterprise development and the needs of minority business owners than any other governmental or private agency.

OMBE's initial efforts have been directed toward stimulating additional sources of debt and equity capital, and opening up new sources of markets and supply for existing and prospective minority business owners. A primary thrust of OMBE's program has been to generate private support for minority enterprise development in addition to coordinating all federal assistance. Apart from OMBE's public and private programs in these areas, important educational activities have also been stimulated.

Of major importance in the educational arena was the 1969 compilation of the first definitive statistical census of minority-owned businesses in the United States. A joint undertaking by OMBE and the Bureau of the Census, this study revealed that minorities owned 322,000 business enterprises, or 4.3 per cent of America's business concerns. This census

established the base from which to measure subsequent progress in the minority enterprise development area.

Because of the important role education and training can play in increasing the number and improving the quality of minority businesses, OMBE has made education and training a major part of its ongoing program. An Education Unit has been established within OMBE's National Programs Division which is expected to play a major part in developing the education and training programs recommended by the Task Force.

As a result of Task Force deliberations, OMBE has established a set of educational priorities which places primary importance on meeting the needs of the existing business owner and the potential entrepreneur on the threshold of ownership. The second priority emphasizes meeting the long range educational needs of the young minority entrepreneur of the future.

Both individually, and jointly with other agencies, OMBE has funded a number of minority enterprise education and training efforts. For many of the HEW funded projects discussed previously, OMBE served as a major catalyst or participant in creating the programs.

The following education and training programs are illustrative of those funded recently by OMBE:

- The Southeastern Institute for Management and Entrepreneurship. This Institute provides basic business management training, coupled with a strong emphasis on achievement motivational training, for existing or prospective minority business owners. This program is also supported by private enterprise.

- Project Pep-Up. This was a research and demonstration program, funded jointly with HEW, which also combined basic business education, counseling, and achievement motivational training for existing minority business owners in Seattle, Washington.

- Program ABLE (Accelerated Business Leadership Education). ABLE is a consortium of six business schools funded to provide MBA fellowship support to minority students. At present, universities are located in Atlanta, Georgia; Washington, D.C.; New York, New York; Syracuse, New York; Amherst, Massachusetts; and Tempe, Arizona. ABLE recently fulfilled its geographic specifications for nationwide student distribution.

- Business Management Program, Atlanta University. The Business Management Program includes the provision for training 100 businessmen from various business fields and the placement of graduate and senior accounting students as "interns" in CPA firms which make their services available to the program.

- "Project Concern," Southern Methodist University. Under the auspices of Southern Methodist University, "Project Concern" is a four-phase program designed to provide training that will assist in the movement of minorities into the mainstream of the American business economy. Over forty students graduated from the program in June 1973.

- Marketing Performance Measurement Program. This program designed an education and training delivery system to provide information and experience that minority business owners can relate directly to better performance in their marketing efforts.

- Business Leadership Training Program. This program, funded in 1973 by the Department of Labor, HEW, the Office of Economic Opportunity, and OBME, is designed to train "trainers" who would be capable of conducting achievement motivational training for existing or prospective minority entrepreneurs, and to develop a teaching film to assist in such training for the future.

The Office of Minority Business Enterprise has also initiated some experimental programs designed to test a delivery system for education and training programs. The creation of an education and training component within several OMBE sponsored Business Development Organizations at the local level represented an initial step toward mobilizing local education and training resources. These resources are channeled to provide management and business skills training for local minority entrepreneurs. The pilot programs were funded through the United States Office of Education.

As part of its education program, OMBE has established linkages with various state education departments through the efforts of the Task Force. State OMBE Directors and other OMBE representatives have made contact with individuals in the state education departments who are working in the minority enterprise education and training area. Together, these representatives will work to establish education and training consortia, capable of matching state and local resources to the needs of local minority entrepreneurs.

As the agency charged with coordinating the entire range of federal activity in the minority enterprise expansion area, OMBE must play a central role in the development and implementation of all education and training programs for minority entrepreneurs. With its accumulated knowledge of the needs of minority entrepreneurs, OMBE should combine resources with the Department of Health, Education and Welfare, the Small Business Administration, and other government agencies in addressing the business education curricula and teaching resource needs of the minority entrepreneur.

In addition, OMBE has developed some practical skills in implementing a delivery system for minority enterprise development services. The establishment of local Business Development Centers, State OMBE offices, Minority Business Opportunity Councils, Business Resources Centers, and similar activities has provided OMBE with experience in constructing ways to deliver minority enterprise services at the state and local levels. The groundwork laid by OMBE in this area should prove invaluable in fashioning practical systems that will deliver education and training services to the minority target populations.

Small Business Administration

The Small Business Administration (SBA) has a reservoir of knowledge in developing and conducting education and training programs that have been used by existing and prospective minority business owners. Since 1953, SBA has cosponsored thousands of short management courses with educational institutions, chambers of commerce, trade and professional associations and community organizations.

A substantial resource report in booklet form has been compiled by SBA on the experience it has gained in this educational area. This booklet is the Guidebook for Coordinators of Management Training for Small Business. Based upon the experience gained from cosponsoring over 25,000 courses, conferences, problem clinics, and prebusiness workshops, the report is intended to serve as a handbook for organizations and agencies conducting education and training programs for small business owners.

In 1973, over 10,000 existing or prospective minority business owners participated in these SBA sponsored management courses, conferences, business clinics and prebusiness workshops.

Other minority business owners were assisted through SBA's volunteer business consultants program which provides on-the-job counseling and training for business persons. This assistance is furnished through SBA's Service Corps of Retired Executives (SCORE) which number some 3,500 volunteers, and the Active Corps of Executives (ACE) which number some 2,000 volunteer businessmen.

A recently established training program sponsored by SBA, known as the Small Business Institutes, is experiencing remarkable success as a management assistance vehicle. Small Business Institutes are formed when SBA enters into a contract with a school of business for the services of some of its faculty. These faculty supervise graduates and senior undergraduate students who are providing management counseling for SBA borrowers with management problems or delinquent loan payments.

To date, SBA has contracts with some 150 educational institutions across the nation to conduct Small Business Institutes. The experience of the program indicates that almost all the business people involved accept the faculty member and student assigned to them, present their problem in some detail, and generally follow the counsel provided.

SBA's considerable experience will be essential as new programs for minority enterprise education and training are conceived. The agency's

background in developing specific courses and management curricula should be of major assistance to the Committee on Minority Enterprise Curriculum, whose establishment is recommended by the Task Force. The Small Business Administration, of course, should be a member of this Committee.

The Small Business Administration has also published over 500 booklets, reports, pamphlets, and various other business education aids covering a wide variety of business and management topics. In developing handbooks for minority enterprise education and training, the SBA experience, again, should be tapped. The Task Force recommends that SBA, the Office of Minority Business Enterprise, and the United States Office of Education join in the effort to compile a handbook that will be relevant to the business education and training needs of the various ethnic and racial groups comprising the minority enterprise target population.

United States Department of Labor

While the primary thrust of the Department of Labor's Manpower Administration is skills training and employment upgrading, a number of Labor Department sponsored activities have assisted in providing education and training services for existing and potential minority entrepreneurs. The following programs are among those developed by the Department:

- Talent Assistance Program (TAP). Established in Chicago in 1969, the mission of the TAP program was to use the talent of volunteers to aid and develop minority business skills. Through teams of over 200 volunteers, TAP identified interested minority members who were considering self-employment and provided them with technical training services. As a result of TAP efforts, closer liaison was established between SBA, banks, and various minority self-help agencies.

- Project Own. This project was sponsored by the Department of Labor in cooperation with the National Tire Dealers and Retreaders, Inc. The program identified minority persons with the necessary qualifications for business success and aided them in acquiring the requisite facilities, financial support, and management skills.

- Prisoners of War Project. Through workshops and internships held by the Small Business Administration in 1972, the Labor Department provided 70 specially selected counselors to work with returning prisoners of war who expressed a desire to become small business owners.

- Training School for Management Skills. Between 1968 and 1971, the Labor Department actively supported the Entrepreneurial Development Training Center in Pennsylvania to train minority persons for successful careers in business ownership.

- Study of the Employment Impact of Federal Assistance Programs on Minority Business Enterprise. This report was completed in August 1972, and provides a thorough analysis of the impact of federal loans and other forms of assistance on minority business persons. Problems peculiar to specific groups of minority business persons are presented and described. Intensive studies of cooperative projects with private industrial institutions are included.

- Achievement Motivation Training. In 1973, the Department of Labor was the principal sponsor of a program designed to train "trainers" who would be capable of conducting achievement motivation training for existing or prospective minority entrepreneurs.

With its vast knowledge of personnel training and manpower utilization, the Department of Labor can contribute significantly to the development of a practical business management curriculum designed to train minority entrepreneurs and managers. An important aspect of business is the

need to manage the work force productively and the need for harmonious relationships between labor and management. The Department of Labor can render valuable service in these areas as part of the education and training of minority entrepreneurs.

The Labor Department has extensive experience in developing recruitment and training programs for minority youth. This background should assist in formulating outreach and communication efforts designed to acquaint minority youngsters with business ownership career prospects and training program opportunities.

In addition, the minority enterprise funding activity by the Labor Department has helped to set a pattern in federal agency cooperation between the Department and other government units, including the Office of Minority Business Enterprise, the Office of Education, and the Small Business Administration. The Department of Labor plans to continue its cooperative efforts and made a pledge of $100,000 additional support for minority enterprise activities in the current year.

United States Department of Agriculture

One of the major sources of support for minority enterprise education and training is the United States Department of Agriculture (USDA). For Fiscal Year 1973, USDA allocated some $4,826,928 for education and training activities. Minorities benefited by some $2,774,276 of this total allocation. For Fiscal Year 1974, the Department projects a total expenditure of some $4,932,000. Minorities also can expect to benefit significantly from these expenditures. These expenditures are made primarily

under the USDA Farmers Home Administration Technical Assistance for Self-Help Housing Program.

As part of the technical assistance activities of the USDA Extension Service, educational programs are conducted for various types of marketing firms. Minority business enterprises are participants in and beneficiaries of these programs which aim to increase the effectiveness of marketing agricultural products or of other farm related businesses. Some specialized programs for low income people forming business units are also conducted by the Extension Service.

Production specialists, marketing specialists, and county agents have provided numerous training sessions and educational programs to assist the Southwest Alabama Farmer Cooperative Association since its organization in 1966. In Massachusetts and New Mexico, marketing specialists have been active in educational work on management problems with minority groups which has included training of employees in all the departments of retail food stores and several types of cooperatives owned by minority groups. In Massachusetts, emphasis has been placed on providing information for training Extension Service specialists and agents for conducting educational programs with food retailers in low income areas. In New Mexico, emphasis has been given to aiding food retailers serving low income Spanish-speaking and Indian consumers' food needs.

In addition to work with marketing firms, the Extension Service has worked with American Indian crafts, guilds, and other groups in preparing and selling bead work and other products at bazaars and other events. This

work has been carried out for a number of years and in some instances the endeavors have become highly organized with the participants earning considerable income for their talents.

Extension is also involved in a number of places with Indian Tribal Housing Authorities as consultants, and in the training and supervising of Indian aides in carrying on an educational program to improve present housing conditions.

The Extension Service-USDA, in cooperation with the Colorado Extension Service, completed a pilot project with owner-managers of small businesses that has as its objective providing management assistance on a continuing basis utilizing the total resources of the land grant university.

The considerable experience of USDA in education and training programs should enhance the prospects of developing a practical set of business courses for minority business owners. The Task Force recommends that USDA serve as a member of the Committee on Minority Enterprise Curriculum.

Through the Agricultural Cooperative Extension Service, USDA has fashioned a delivery system for providing a full range of training assistance and services to farms, farming cooperatives, and food retailing stores. Many of these are minority-owned and operating ventures. This delivery system, represented by the experience of the Agricultural Extension Service, offers an excellent model to follow in developing a delivery network for minority enterprise education and training services.

Veterans Administration

Minority business enterprise is an integral part of the Veterans Administration (VA) and has received high priority since 1969. The progress of the VA program under SBA 8(a) contracting has developed from $69,000 contracted in 1969 to $11.7 million contracted in 1973. During this time, the VA has attempted, in a number of ways, to insure the continuing education of its minority entrepreneurs.

To assist in providing training and technical assistance to minority business owners doing business with the agency, the Veterans Administration first trained its field and central office personnel. After training, these personnel were equipped to counsel and instruct minority vendors and to acquaint them with the possibilities of doing business with the VA.

The Veterans Administration provides guidance and assistance to all minority contractors. This training is in the form of plant visits and technical assistance efforts. When a minority firm requires technical and management assistance not within the resources of the VA, the appropriate Small Business Administration office is notified and the necessary personnel are assigned to provide the type of assistance needed.

During Fiscal Year 1974, the VA plans to continue its current educational programs directed at minority business owners. Since the VA does not have statutory authority to provide grants in this area, all training is provided inhouse as part of an ongoing VA function.

The Task Force strongly recommends that other federal agencies doing business with minority business owners initiate an internal training program similar to that of the Veterans Administration. Affirmative action in recruiting minority entrepreneurs, training them in the contracting procedures of the particular agency involved, and providing other management assistance is essential if minorities are to learn to compete successfully for federal agency business.

United States Environmental Protection Agency

It is the policy of the Environmental Protection Agency (EPA) to increase to the maximum feasible extent the participation of minority firms in the agency's research, development, education-training, and procurement programs. EPA's annual progress report showed that some $8.2 million in minority business had been developed in Fiscal Year 1973 of a total goal of $9.9 million.

Through a recent Presidential Executive Order, a greatly accelerated program in pollution control and abatement and control of pesticides has begun to generate new business opportunities in the environmental protection area. EPA has developed a five step program designed to offer existing or prospective minority business owners the opportunity to enter any new field opened up by new environmental protection activities. In 1973, the Agency adopted a program to aid minority business owners, consisting of the following elements:

1. Survey EPA's regional offices to ascertain the target areas;

2. Develop descriptive examples of effective minority business enterprise training programs;

3. Coordinate a training program effort with the Office of Minority Business Enterprise and the Small Business Administration;

4. Identify responsibility for recruiting and monitoring the activities of participants in the program;

5. Develop a monitoring and evaluation system to analyze the completeness of the task.

The internal program developed by the Environmental Protection Agency is an excellent example of affirmative action initiated by a government agency to insure that minorities are afforded the education and training needed to compete for potential government business. The EPA undertaking also illustrates how government agencies can aid in the creation of new minority business firms. Other government agencies in the position to generate new business formation activities should consider the steps taken by the Environmental Protection Agency.

General Services Administration

The General Services Administration (GSA) provides minority business owners with a full range of government contracting opportunities. To acquaint prospective vendors with supply and service contract possibilities and application procedures, GSA conducts procurement training seminars in major cities each year. A special effort is made to have minority vendors attend these seminars.

In its central office, GSA has established a special staff to assist minority vendors in doing business with the government. This activity is also carried out in GSA's Business Service Centers in eleven major cities. At these regional levels, GSA personnel advise and counsel minority business representatives. In a small number of cities, GSA established storefront offices and recruited local minority business counselors to help to train potential minority business vendors.

GSA has also mounted an extensive media campaign to acquaint the minority public with the existence of contracting opportunities in the procurement of supplies and services. GSA is urged to continue its special efforts to educate prospective minority vendors and is also urged to devise procurement seminars which offer individualized counseling and training to prospective minority contracting firms.

The development of the GSA advertising campaign might also serve as a model for developing a minority enterprise education and training media publicity effort.

United States Department of Housing and Urban Development

In 1970, the Department of Housing and Urban Development (HUD) developed a two part program for assisting minority business owners: (1) the funding of minority-owned businesses and (2) the provision of technical assistance training for existing or potential minority contractors. Under this program, a number of programs designed to provide management and business skills training for minority contractors have been funded across the country.

For education and training purposes specifically, HUD estimates that in Fiscal Year 1973, some $41,020,000 in Model Cities funds were used for education and training programs for minorities in Model Cities areas throughout the United States. A portion of these expenditures were used for training existing or potential minority entrepreneurs. For Fiscal Year 1974, HUD estimates that some $42,700,000 in Model Cities funds will be available for total minority education and training.

Because designated Model Cities contain large minority populations, the Task Force strongly urges the Department of Housing and Urban Development to make business ownership training a top priority in funding for Fiscal Year 1974. HUD is also urged to continue its support of management training and technical assistance for minority contractors.

United States Department of Transportation

The Department of Transportation (DOT) has undertaken a number of program efforts which provide education and training services for existing or potential minority entrepreneurs. Included in these DOT activities are the following programs:

- Urban Mass Transportation Administration

  Under the University Research and Training Program of the Urban Mass Transportation Administration (UMTA), three Black universities (Atlanta, North Carolina A&T, and Southern) have been funded for the past three years. Each of these schools has developed a curriculum which equips its students with a "minor" specialization in the field of transportation.

Under the Technical Studies Program, two Civil Rights Minority Business Enterprise pilot projects in Atlanta, Georgia and in Baltimore, Maryland are yielding data on manpower needs and minority business opportunities over several years. The baseline information being developed will encourage and support training and will permit advance planning for minority business entrepreneurs to prepare to participate in construction, upkeep, and refurbishing of transit systems.

- Federal Aviation Administration

Under a Federal Aviation Administration - Office of Minority Business Enterprise agreement, minority businessmen are being acquainted with the contracting opportunities at federally assisted airports. They are counseled in the requirements and methods of successfully bidding on these contracts and assisted in presenting their bids. These procedures assure that, even if not the successful bidder, the minority businessman gains experience in the ways and means of bidding on federal and federally assisted contracts.

A large number of minority contractors are informally trained and educated through the 8(a) and competitive procurement process. By means of briefings and discussions with contracting and requirements personnel, the contractors learn the procedures to obtain bid offerings, to submit bids successfully, and to negotiate contracts.

- Federal Highway Administration

In connection with Section 110 of the Federal-Aid Highway Act of 1970, the Federal Highway Administration recently funded a seminar conducted by the State of Illinois for the purpose of training minority and other small contractors in the area of contracting procedures. A similar project was funded in Wisconsin in which the Milwaukee Urban League provided training in contracting procedures, business management, cost accounting and related areas.

A proposal to train small contractors, including minority contractors, was approved in connection with the Federal-Aid Highway construction program in Michigan. This proposal provides for the inclusion in a Federal-Aid Highway contract of a

special training provision. It requires that the prime contractor train each small subcontractor and its supervisory personnel in the several technical, financial and administrative skills necessary to perform successfully. Reimbursement to the prime contractor would be made in conjunction with a construction contract.

FHA Civil Rights offices have collaborated with a number of states in seminars and other assemblies designed to orient prospective contractors in prequalification, bonding, bid, and other Federal-Aid Highway contract requirements. Minority business enterprise presentations and discussions are a major element in each Civil Rights equal opportunity workshop and other similar conferences.

The transportation industry offers many new opportunities in business ownership for existing and potential minority businessmen. As new concepts in urban mass transportation and the growing concept of intramodal transportation planning develop, a number of new industry opportunities will evolve. The Department of Transportation and the Federal Aviation Administration are urged to develop additional programs designed to acquaint minority business owners with these new entrepreneurial possibilities.

United States Atomic Energy Commission

The Atomic Energy Commission (AEC) has agreed to undertake several new program initiatives to promote education and training opportunities for existing, prospective and future minority entrepreneurs. Included in these AEC commitments are the following:

- AEC will promote an awareness program to be implemented primarily through the agency's principal operating contractors. Contracts will be made with minority suppliers to enlist their support in working with colleges, high schools and elementary schools to alert students to the possibilities of owning and operating their own business enterprises.

- AEC will promote the placement of orders by agency contractors with organizations which sponsor education and training of actual and potential minority entrepreneurs. For example, AEC's contractor, University of California, Lawrence Livermore Laboratory, placed an order with Ebony Enterprises, an East Bay business firm, owned and operated by minority teenagers.

- AEC will solicit ideas from agency field offices and contractors concerning other ways and means of appropriately supporting the program for education and training of actual and potential minority entrepreneurs and will request that they fully explore any avenues which offer education and training potential with the idea of expanding the Atomic Energy Commission's efforts in this regard to the maximum extent possible.

- AEC will pursue vigorously the program to increase the number of new minority vendors with whom it does business. The experience gained from direct dealings with AEC and its contractors is one of the best means for promoting a viable minority business enterprise.

AEC currently has an active and effective program to increase the involvement of minority business enterprise in AEC buying programs. The agency's principal cost contractors procured more than $7.5 million worth of material, supplies and services from minority firms in FY 1973, an increase of about $2.5 million over the approximate $5 million placed with minority business in FY 1972. One of the important objectives of AEC's minority procurement program is to encourage and assist firms not now doing business with the agency to offer their products and services. More than 8,000 procurement actions, exclusive of 8(a) awards, were placed with several hundred minority firms to accomplish the $7.5 million procurement level achieved in Fiscal Year 1973. Over 200 of these firms had not previously received an order.

The AEC believes that one of the most important elements in motivating new minority entrepreneurs is the example of successful minority business owners operating and competing in the American business economy.

United States Department of the Interior

The Department of the Interior exercised a major role in providing support for the education and training of Native Americans. While millions of funds are spent each year for educational purposes by the Department, there is no current breakout of the portion of these funds used for Native American entrepreneurial training. However, there are some specific training projects of the Interior Department which provide business ownership skills development. Examples are the following:

- National Indian Bank. The Department of the Interior provided funds in 1973 to sponsor management training for American Indians who would own and operate a newly established Indian National Bank in Washington, D.C. Training included administrative and operational procedures in all aspects of banking.

- National Indian Training Center. The National Indian Training Center in Brigham, Utah provides management training for American Indians in several areas including tribal management, management of tribal owned businesses, and the procedures required for operating individually owned business enterprises.

- Individual Tribal Assistance Programs. The Department of the Interior provides a wide range of training programs designed to assist individual tribes throughout the nation in solving management problems. Job training is also provided to develop marketable skills for Indian youth who may seek employment on or outside the reservation.

Business ownership training for American Indians must take into consideration the differences between operating a business on reservations and conducting a business in a non-reservation setting. Federal laws and regulations which govern the reservation are not the same as state and local laws affecting businesses elsewhere.

The Task Force recommends that the Department of the Interior place special emphasis on the entrepreneurial education and training needs of Native Americans. Management and business skills development are critically needed to enable American Indians to manage tribal owned businesses and to establish and operate individually owned enterprises.

The Task Force also feels that two current situations affecting the Native American demand the immediate attention of the Department of the Interior. They are:

- Building of the Alaskan Oil Pipeline

  The construction of the Alaskan pipeline offers many new business opportunities. In addition to providing employment for Native Americans in the Alaska area, the Department of the Interior has a unique opportunity to insure that existing or newly established Native American firms play an important role in the construction of this major oil development.

- Report of the Federal Trade Commission On Reservation Trading Posts

  A recent report by the Federal Trade Commission describes a deplorable state of affairs with respect to reservation trading posts. According to the report, Indians are shortchanged, overcharged for goods, and often provided with inferior merchandise. Most of these trading posts are owned by non-Indians.

  The Department of the Interior can help this situation by assisting more Indians and tribal organizations in obtaining ownership and operation of these trading posts. This mission will require an intensive education and training effort on the part of the Department.

Combining federal resources

The Task Force believes that there is a role to be played by every federal agency in supporting education and training programs for minority enterprise development. All government agencies are urged to conduct an internal examination to determine what existing or new resources are available to support education and training for entrepreneurship activities.

Government agencies working together can produce a combined federal effort which will do much to meet the needs of an expanding minority enterprise development effort.

Chapter four

MOBILIZING THE RESOURCES

THE PRIVATE SECTOR
STATE AND LOCAL EDUCATIONAL SYSTEMS
POSTSECONDARY EDUCATIONAL INSTITUTIONS

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MOBILIZING THE RESOURCES

In addition to the federal establishment, the nation is fortunate in having a wide range of public and private institutions capable of responding to the special education and training needs of minority entrepreneurs. These institutional resources in the private sector, the state and local educational systems and postsecondary educational institutions must be mobilized and, in some cases, redirected to accomplish the task of improving the management and business skills of minority business owners.

The private sector

Assistance provided by the private sector is multidimensional. Private enterprise support for education and training activities affecting future minority entrepreneurs can be traced from the elementary school level to postsecondary educational institutions. Help for existing minority business owners ranges from providing financial support of programs conducting such training to rendering management and technical assistance aid through volunteer businessmen. In addition to support from business firms, private foundations and private professional and trade associations participate in a variety of national, state and local education and training programs for minority entrepreneurship development.

The full scope of private sector participation is illustrated in the Directory of Private Programs Assisting Minority Enterprise published by the Office of Minority Business Enterprise. This directory describes

more than 300 private programs in 59 cities, including the efforts of community organizations and chambers of commerce. It is not possible to describe all of the private sector activities which support minority enterprise education and training. However, the following examples are representative of the scope of the activities:

Business and Industrial Firms

Individual firms from business and industry have contributed much in the way of financial support for minority business education and training at the postsecondary level. Scholarship aid has been provided for minority candidates for undergraduate and graduate business degrees at individual educational institutions and through support given to various business school consortia which solicit financial aid for minorities.

Corporations have also participated in executive exchange programs designed to strengthen the teaching of business at Black colleges and universities. The Black Executive Exchange Program (BEEP) is a project developed by the National Urban League in which participating Black colleges offer courses for credit taught by a succession of corporation executives. These executives tell about opportunities in their respective fields and teach from course outlines giving practical examples of textbook theory. The corporate contribution to BEEP in 1972 was the two day released time of 155 Black men and women executives from 129 corporations. At 19 Black colleges, these executives taught 27 courses including accounting, personnel administration, money and banking, advertising and marketing.

Some corporations, such as Goodyear Tire and Rubber, have a minority scholarship fund while others, such as the Ford Motor Company, sponsor an internship program while also making grants to minority schools of business and schools of engineering. A large number of companies participate in cooperative education programs with educational institutions.

At the secondary level of education, business and industrial firms participate in programs designed to provide students with practical exposure to the world of business and commerce. Junior Achievement projects and various programs in cooperative education are actively participated in by businesses. However, in inner city schools which serve predominantly minority populations, many of the school-industry programs do not exist.

Recent efforts by major industries have attempted to correct the lack of contact between inner city schools and business and industry. Michigan Bell, for example, led the business community in the mid-1960's with the concept of "adopting" an inner city school to help supply the missing resources and to support the teaching efforts within the school. In 1971, the Board of Education and the Human Resources Administration of the City of New York developed the Executive High School Internship Program with business and industrial firms. Each semester over five hundred high and junior high school students are released from their school to participate in on-the-job executive training in one of the city's business firms. Since that time, a number of other firms have undertaken similar efforts.

The Task Force urges more private business firms to assist inner city schools by helping to establish practical business experience programs within these schools and to offer opportunities for on-the-job exposure to minority youngsters through cooperative education and career orientation programs.

At the elementary level, business and industrial firms can assist the school systems with career introduction activities by providing visitation programs aimed at inner city youngsters. At this level, the concept of business ownership should be introduced along with other possible career choices.

For existing minority business owners, private enterprise has provided financial support for agencies and community organizations offering education and training services to minority entrepreneurs. At the same time, business firms have made available loan executives to such organizations to strengthen the management capabilities of the groups and to provide direct management counseling for minority business owners.

National Business Management Fellowship Program

In 1973, the Office of Minority Business Enterprise (OMBE) initiated a Business Management Fellowship Program designed to provide practical, on-the-job managerial experience in business and industry to a larger number of minority youth. The OMBE sponsored program is an extension of the Federal Fellowship Program which was established in 1967 to give federal job experience to youth in the Washington, D. C. area.

OMBE employed some fifteen football players from the National Football League to present the Business Management Fellowship Program to the private sector and help recruit business firms to participate. Private firms responded to OMBE's efforts by funding 500 four year Business Management Fellowships. Compensation that will be received by students who work during summers and vacation periods is estimated at $7,000 per four year Fellowship, or a total cost to the participating firms of $3.5 million. The investment by OMBE in the 1973 undertaking was $125,000, or about three per cent of the total cost of the program.

To qualify for the Business Management Fellowship Program, students must meet the following criteria:

- Be in the upper 10 per cent of their high school graduating class
- Be accepted at an accredited college or university
- Have a need for financial assistance to pursue their college studies
- Intend to major in a subject area that is of particular interest to the participating business firm.

The Business Management Fellowship Program for minority students is an excellent example of government and private enterprise cooperation. OMBE serves as a catalyst in inviting the private sector to participate voluntarily in a quality program which has worked successfully in government. OMBE also organizes and counsels the teams of National Football League players who help recruit business firms into the program.

Activities of the Fellowship Program are conducted entirely by the participating business and industrial firms. These firms structure an in-house training program for their minority trainees based upon the needs and requirements of the firm. As one of the conditions for becoming a prospective management trainee,

students must indicate a major interest in a subject which relates to the particular firm offering the Fellowship position. With student and company interests matched, an on-the-job training program is developed to advance the mutual goals of management trainee and business firm.

In addition to providing students with job experience, the Fellowship Program also supplies needed financial assistance for minority students who might find it difficult to attend coll[illegible] without such aid.

For business and in[illegible]usiness Management Fellowship Program provides potential manpower and le[illegible]rship personnel for the future. Employers, job supervisors and other members of the private sector work force also obtain first hand exposure to talented minority students which helps to break down stereotypes and artificial racial barriers.

The success of the Fellowship Program in 1973 has provided the base for increasing the scope of the program in future years. With the support of players from the National Football League, the Office of Minority Business Enterprise plans to ask the private sector to provide a minimum of 1,000 four year Business Management Fellowships for high school seniors in 1974.

Private Foundations

Private foundations have also participated in expanding the education and training opportunities of minority entrepreneurs. Examples of such assistance include:

- Alfred P. Sloan Foundation commitment of $6 million to support minority graduate students in business.
- Ford Foundation support for some Communit[illegible]elopment Corporations which have minority entrepren[illegible]al training as a major component, and other minorit[illegible]ducation and training programs.

- Carnegie Corporation support of special executive development training projects for selected minority executives.

- Mellon-Scaife Foundation support of job training and managerial training for minority group members.

- Rockefeller Foundation and Rockefeller Brothers Fund support for such programs as the Interracial Council for Business Opportunity and its minority education and training activities.

Private Nonprofit Organizations

A host of community based private organizations continue to provide education and training services for minority entrepreneurs. These organizations usually combine the services of volunteer businessmen with those of a paid professional staff to carry out the management education training. A representative sampling of these groups includes the following:

- Interracial Council for Business Opportunity. The Interracial Council for Business Opportunity (ICBO) has developed and tested a complete curriculum for entrepreneurial education and training. The program was developed by the Newark branch of the national ICBO and has received foundation support to replicate the effort in the six other ICBO cities. ICBO's program has an excellent combination of course material, effective instructors and dynamic program leadership.

- Roxbury Institute of Business Management. The Roxbury Institute conducts a wide range of programs in specialized areas. One program is geared to training minority entrepreneurs in the Boston area to help solve major management and financial problems. Another management program is directed to executives of Community Development Corporations which are engaging in entrepreneurial development activities. For high school students, Roxbury conducts an eight week program to provide an introduction to business and entrepreneurship.

- Chicago Economic Development Corporation. Among the many services performed by CEDCO for existing and prospective minority business owners are periodic seminars and lectures on specific technical and managerial aspects of business administration and operations. Management counseling is also provided on a one-to-one basis for minority business owners.

- Dallas Alliance for Minority Enterprise. A voluntary association of over twenty five Dallas organizations and institutions, DAME conducts a variety of education and training programs for minority business owners. Included in these services are management workshops, publication of business articles, training seminars and technical assistance efforts.

- Colorado Economic Development Association. Since 1968, CEDA has offered basic courses in small business management, accounting, finance and related subjects in the Denver community. In 1972, a separate business education department was established which developed a two part program. An education program was designed for the potential or new businessman in need of basic business education and a training program was designed for the active businessman in need of training within his or her specific field to complement the education effort.

Today, the majority of private programs providing minority enterprise education and training services derive significant support from various government agencies. The three nationwide organizations below are examples of cooperative efforts between the public and private, non-profit resource groups:

- National Economic Development Association (NEDA). NEDA was formed in 1970 to provide economic upgrading opportunities for Spanish-speaking citizens throughout the country. The organization provides management and technical assistance to existing and prospective business persons and currently operates twenty (20) area offices, including one in San Juan, Puerto Rico. NEDA is in the process of establishing an education and training division which will assist the Spanish-speaking community in obtaining needed management and business skills development.

- National Business League (NBL). The NBL was founded by Booker T. Washington in 1908 to aid Black economic development. Today, the League provides a variety of management and technical services to minority business persons. Seminars, training programs and direct one-to-one counseling are all features of NBL's education and training services.

- National Puerto Rican Forum. The National Puerto Rican Forum provides a wide range of management and technical assistance training designed to assist existing and potential Puerto Rican business owners in their business endeavors. These economic development activities are in addition to the Forum's well established job training activities.

Professional Trade Associations

A major resource for education and training services for minority business owners exists in the national professional trade associations. These associations have provided management talent to assist in training minority entrepreneurs, have helped to develop training materials, have provided instructors for classroom teaching and have provided the specialized knowledge of their particular trade to increase the working knowledge of minorities in these areas. These organizations include:

- American Institute of Certified Public Accountants
- Investment Bankers Association of America
- National Legal Aid and Defenders Association
- Chambers of Commerce (including the Chamber of Commerce of the United States)
- National Association of Food Chains
- American Institute of Industrial Engineers
- National Association of Accountants
- Lawyers Committee for Civil Rights Under Law
- American Society for Personnel Administration
- International Council of Shopping Centers
- National Shoe Retailers of America
- Menswear Retailers of America
- National Society of Professional Engineers

With the assistance of the Office of Minority Business Enterprise, several trade associations have been operating training programs designed specifically to increase the number of minority-owned enterprises. These associations provide minority owners with a full range of training in management skills development, trade operation requirements, technical assistance and financial aid. The following two examples illustrate the success of these activities:

- National Shoe Retailers of America. At the end of November 1973, there were some sixty (60) minority-owned retail shoe stores under the aegis of the minority business ownership program of the National Shoe Retailers of America. These sixty stores had a total capitalization of $1,912,520. With an average age of 21 months, no failures have occurred thus far among the sixty businesses established under the program. Projected sales for the combined sixty stores for 1973 was $5,674,000.

- Menswear Retailers of America. Under the program sponsored by the Menswear Retailers of America, some 103 minority-owned retail clothing stores were established. These 103 stores had a total capitalization of $5,267,601. The average age of the stores is 31 months. To date, 8 of the 103 stores have failed constituting a failure rate of 7.8 percent. Gross volume of sales of all the stores for the 12 months ending on December 3, 1972 was $8,752,688. The projected gross volume for the same period ending December 31, 1974 is $11,219,692.

The failure rates for the minority-owned businesses established under the aegis of these two trade associations is much lower than the traditional failure rate for businesses operating during a comparable period of time.

While the evidence is inconclusive, the relative success of these and similar programs operated around the country indicate that intensive management training and technical assistance coupled with training geared to a specific line of business can do much to reduce the incidence of business failure during the first two critical years of operation.

National Educational Associations

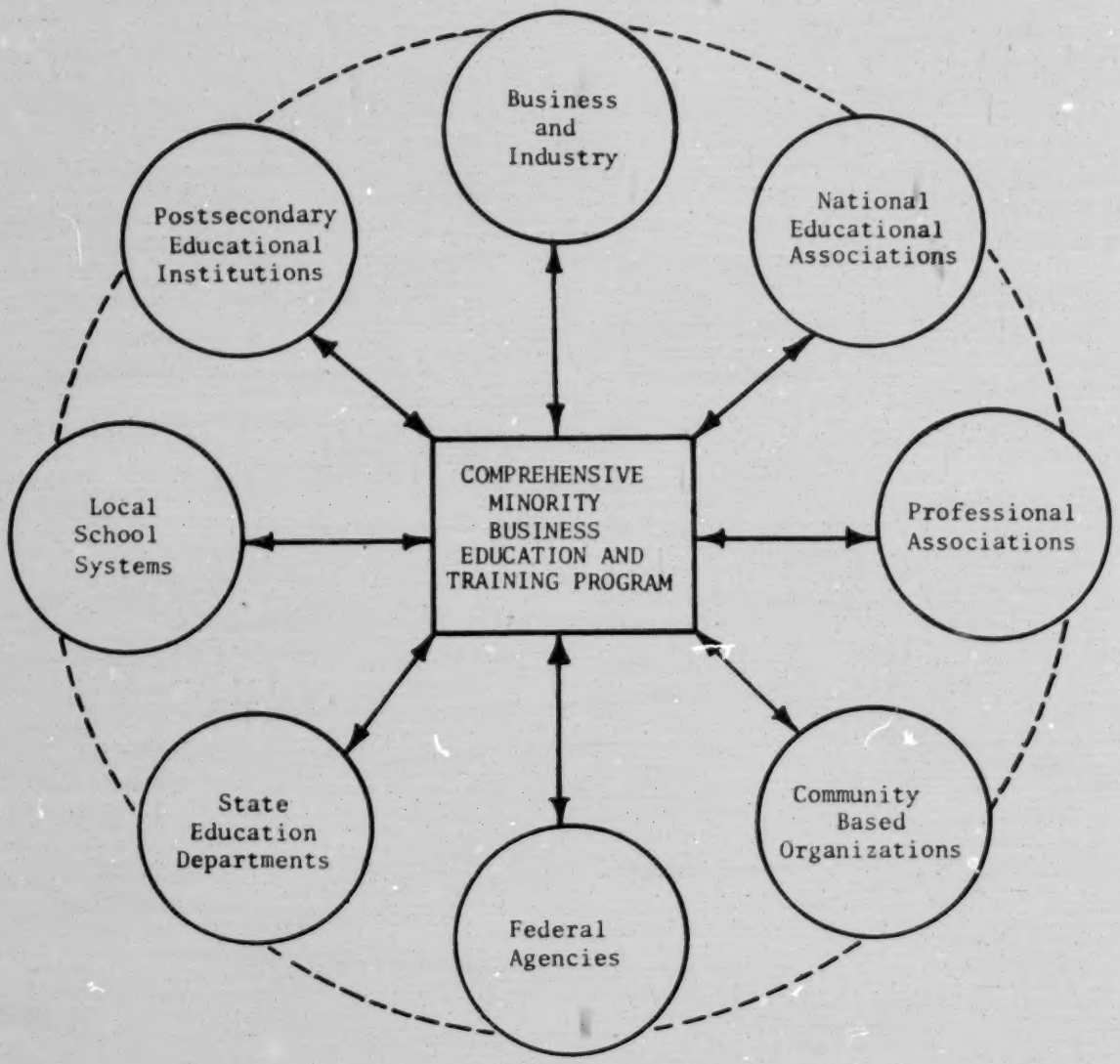
National educational associations can play an important role in the total minority enterprise education and training effort. With their large memberships, official publications and annual meetings, these associations constitute a vast communication and resource network which can be used to disseminate information on minority enterprise education and training programs. Today, many of these associations have internal programs and membership resources which can be directed to help support minority enterprise education and training.

The associations cover the complete spectrum of the education community from youth oriented organizations to college and university groups. If mobilized, these associations have the capacity to help deliver major resources needed at the local level where minority entrepreneurs are located.

National associations which served on the Task Force include:

- Distributive Education Clubs of America
- National Business Education Association
- American Vocational Association
- Joint Council on Economic Education
- American Association of Junior Colleges
- Council of Chief State School Officers
- American Association of State Colleges and Universities
- American Association of School Administrators
- National Association of State Directors of Vocational Education

EDUCATION AND TRAINING RESOURCES



State and local educational systems

In preparing minority youngsters for possible careers in business ownership, state and local educational systems play a vital role. State departments of education and local school boards can do much to encourage the development of career awareness and career training programs for youth. With adult and continuing education program services, these same institutions can offer programs that would benefit existing or prospective minority business owners.

State Departments of Education

State departments of education play an important role in establishing educational policy for their states. The Task Force contacted each of these departments through its chief state school official, asking that someone be designated from the department who would serve as liaison with the Task Force. Each chief state school official and his designee also was asked to examine the current status of programs and activities within their state which directly contributed to education and training for minority entrepreneurship development.

Some states have already begun the examination process. For example, the State of Virginia's Board of Education has established a State Task Force on Education and Training for Minority Business Enterprise to focus on minority entrepreneurial training. A statewide conference held by the new Virginia Task Force in July 1973, brought together educators, business owners, students and members of the minority

business community. Virginia has announced a goal to implement some entrepreneurial training programs by January 1974, with the help of its state government, State Department of Education and local school administrators.

With the need to bring about changes in curricula as well as to broaden the concept of career education to include entrepreneurship training and orientation, the active participation of state boards of education is essential. The Task Force strongly recommends that other state education departments follow the example of Virginia and establish a State Task Force on Education and Training for Minority Business Enterprise. At the time of this writing, a number of states had indicated their intentions to form such Task Force groups.

To assist states in formulating ways to use current resources in helping existing and future minority entrepreneurs, linkages have been established between the various state departments of education and the newly established State Office of Minority Business Enterprise (OMBE). The State OMBE Directors and representatives from the state education departments are exchanging ideas on developing a means of delivering education and training resources to existing minority entrepreneurs within the state, as well as instituting programs for students within the school system itself.

Local Educational Systems

Involvement of local school boards and local school administrators is also essential if programs are to be implemented and resources redirected

to make an impact on minority enterprise education and training. In the long run; the development of a significant number of minorities who have interest in entrepreneurial pursuits will depend in large measure on the early elimination of the preconceived notions of minority youth that positions in management and possible business ownership are beyond their grasp. This process requires the conscious support of parents, teachers, counselors and other forces outside the school system.

There is also a need to provide minority youth with an early understanding of basic economics and the American free enterprise system. These youth should also receive an early introduction to the concept of venture initiation. According to recent studies conducted by the Joint Council on Economic Education, textbooks used in American schools covering economics for elementary through grade twelve generally do not do an adequate job of explaining these basic concepts.

However, while other youth may obtain exposure to business concepts at home or through a family business, it is less likely that minority youth will have the same opportunity. Therefore, for minority youth, the school system is the primary source for learning about the American business system.

To provide young people with adequate understanding of business and economics, a reexamination of current textbooks in use throughout the school system is required. The Task Force feels that curriculum changes incorporating the basic concepts of career training and career awareness are needed for all youth, not only those from minority groups. Local

school systems and local school administrators are urged to join in the effort to reassess curriculum needs in this area and develop the best course material and teaching resources to provide American youth with a proper foundation in economics at an early age.

Postsecondary educational institutions

Postsecondary educational institutions provide another major source of education and training services for existing and future entrepreneurs. In recent years, both public and private institutions have taken affirmative action to recruit minority students and faculty for business school programs. Combining faculty with senior and graduate student talent, many of the institutions have offered management assistance training to minority business firms in the community. Some faculty have participated in giving volunteer counseling to entrepreneurs on a one-to-one basis. With the help of federal assistance, a number of institutions have developed special education and training programs for minority entrepreneurship.

A major problem of educational institutions has been the development of sources of financial support for minority business school students. Some schools have worked to overcome this problem in several ways. Fellowship and scholarship funds for minorities have been solicited from major corporations. While successful for several years, some funds were withdrawn recently or not renewed by the corporations because of the profit squeeze.

To maximize support for minority student business education, a number of colleges and universities have joined forces to create funding organizations which served two functions. First, these organizations seek out minority candidates for the member schools by promoting the institution as a source of funds to undergraduates and graduates interested in business. Second, the consortia of business schools solicit funds for scholarships from foundations, trusts, government agencies and business corporations who were more responsive to groups than to individual schools.

Today, there are three funding groups with a total of twenty one schools participating. These groups are:

- Consortium for Graduate Study in Management (CGSM)

  Indiana University (Bloomington)
  University of Rochester
  University of Southern California
  Washington University (St. Louis)
  University of Wisconsin

- Council for Opportunity in Graduate Management Education (COGME)

  University of California
  Carnegie-Mellon Institute
  Columbia University
  Cornell University
  University of Chicago
  Dartmouth College
  Harvard University
  Massachusetts Institute of Technology
  University of Pennsylvania
  Stanford University

- Accelerated Business Leadership Education (ABLE)

  Boston University
  Syracuse University
  University of Massachusetts
  Atlanta University
  Howard University
  New York University

The Task Force urges continued support for these organizations and for other educational institutions taking affirmative steps to assist minority business students and existing minority entrepreneurs. While most minority business school graduates initially enter the ranks of big business, the Task Force feels that they will ultimately provide a pool of experienced talent to serve as managers and owners of future minority enterprises.

Postsecondary institutions should also play a major role in the development of specialized business management curricula for minority entrepreneurs and should also assist in cooperative efforts with one another to strengthen faculty and teaching resources in this area. Older, established schools of business should lend their assistance to emerging schools of business with special emphasis on those found within predominantly minority institutions.

In addition to their primary mission of providing formal business education, postsecondary institutions have developed a number of education and training programs designed to assist the existing minority entrepreneur. These programs involve faculty and student teams providing management and technical assistance to existing or prospective business owners and the development of teaching programs, seminars and workshops for business owners to develop skills in basic business management.

Representative Programs

Space does not permit the listing of all educational institutions and their activities in the minority enterprise education area. However, the following schools and their programs are illustrative of the range of

services that have been made available:

- Atlanta University (School of Business Administration). Atlanta University received federal funding in 1972 to establish a business management development program which would include training of 100 businessmen from various business fields. Graduate and senior accounting students would be placed as "interns" in CPA firms who make their services available to the program. Atlanta also sponsors several management seminars each year for minority business owners and offers two six week non-credit courses to existing and potential owners and managers.

- University of California at Los Angeles (Graduate School of Business Administration). The University program to assist minority entrepreneurs has had a two pronged approach. One effort involves conducting special evening courses for minority business owners. The other activity couples the MBA program with work in a minority enterprise program. Credit is given to MBA candidates for work as VISTA volunteers in a minority entrepreneurship program such as the Interracial Council for Business Opportunity.

- University of Chicago (Graduate School of Business). Students at the University of Chicago have developed a Small Business Consulting program to provide management assistance to minority business owners.

- Community College of Denver. The Community College of Denver has established an experimental program in adult education called the "Minority Business Project." This program is directed to existing or prospective business owners and consists of practical management training courses.

- Harvard University (Graduate School of Business Administration). Harvard students and faculty participate in a number of programs designed to assist minority business owners. Through a Business Assistance Program, students and faculty advisors provide a full range of technical assistance including accounting, tax, marketing, inventory control and financial assistance. Harvard also provides management training through the Roxbury Institute which conducts several minority enterprise management training programs.

- New York University (Graduate School of Business Administration). In 1969, students formed a nonprofit organization called the "Urban Business Assistance Corporation " to provide management consulting services

to minority business owners. The Corporation receives support from the School of Business Administration and private firms who encourage students to offer their formal training to help solve real business problems.

- Northwestern University (Graduate School of Management). The Northwestern University program for minority business assistance combines the talents of the Law School with those of the Graduate School of Business. Students assist existing and prospective business owners with legal problems relating to the business and with management training in basic business.

- Pepperdine University (Graduate School of Business). In 1973, through a grant from the federal government, Pepperdine established a minority business management training program. The program consists of seminars and teaching courses in business management fundamentals provided for business owners in the Los Angeles area.

- Rutgers University (Graduate School of Business Administration). In the Rutgers program students and faculty advisors provide a range of management and training services for existing or prospective business owners. Through the Rutgers Minority Enterprise Small Business Investment Company, a number of minority business owners receive loans. These loan recipients are also given management assistance in specific areas of need as indicated through a thorough analysis of their business operation.

- University of Southern California (Graduate School of Business Administration). The University program includes a relationship with a local minority enterprise development organization, IMPAC, through which graduate business students assist the staff in providing management counseling and training to businessmen in the South-Central Los Angeles community.

- University of Texas (College of Business Administration). Faculty members provide direct management assistance to existing or prospective minority business owners. Teams of faculty and students also conduct management and technical assistance programs for minority entrepreneurs.

Chapter five

RECOMMENDATIONS OF THE TASK FORCE: MATCHING RESOURCES TO NEEDS

NATIONAL, STATE, AND LOCAL COORDINATION

BUSINESS EDUCATION AND TRAINING PROGRAMS

COMMUNICATION AND OUTREACH

EVALUATION, DEMONSTRATION, AND RESEARCH

RECOMMENDATIONS OF THE TASK FORCE: MATCHING RESOURCES TO NEEDS

Recommendations of the Task Force are designed to assist in the development of a comprehensive program of education and training for minority business enterprise.

A comprehensive program is necessary to achieve the following goals:

- to enhance the prospects of success and survival of present minority business owners
- to prepare potential minority entrants for the world of business ownership
- to orient minority youth at the elementary, secondary, and postsecondary education levels, and those outside the educational system, to the possibilities of business ownership as a future career choice.

The Task Force presents in this chapter its recommendations for improving both the quality and quantity of business education and training for minority persons. These recommendations should be useful as new programs are developed and become operational. Some of the recommendations are directed at substantive and procedural issues which can be attended to within current federal allocations. Others will require an increase in total resources. The degree to which these resources are provided will determine the ultimate success of minority enterprise growth.

National, state, and local coordination

The development of a minority enterprise education and training program will require the combined resources of public and private institutions and the creation of an effective delivery system to match resources with needs. However, the first step toward developing a national program in this area is to establish clear direction at the federal level and to increase the coordination and cooperation among the federal agencies contributing to minority business development. At the same time, coordination mechanisms should also be established at the state and local levels.

Major steps have already been taken to promote federal agency cooperation. Subsequent to the establishment of the Office of Minority Business Enterprise in 1969 as the principal minority business development agency, the Interagency Council on Minority Business Enterprise was created. This Council was formed to coordinate government activities and to focus them on meeting the needs of minority business development. Chaired by the Under-Secretary of Commerce, the Interagency Council is composed of top officials from twenty federal agencies.

Another important development occurred earlier in 1964 when the Federal Interagency Committee on Education (FICE) was established to coordinate the wide ranging educational activities of all federal agencies. FICE is chaired by the Assistant Secretary for Education in the Department of Health, Education and Welfare and provides a mechanism for agencies in the executive branch to administer educational programs cooperatively.

Building on these established trends toward coordination at the national level, the Task Force concluded that minority enterprise education and training should receive similar direction as a top priority in the national strategy to expand minority business ownership.

ESTABLISH CLEAR DIRECTION AT THE NATIONAL LEVEL

The Interagency Council for Minority Business Enterprise should establish a Special Implementation Committee.

The Federal Interagency Committee on Education should establish a Subcommittee on Minority Business Education which would work directly with the Interagency Council in formulating education and training priorities, mobilizing federal resources and helping to determine the role each government agency can play in advancing minority business education and training programs.

ESTABLISH COORDINATION AT THE STATE LEVEL

Each state should establish a task force on education and training for minority business enterprise.

- These statewide task force organizations should mobilize the vast network of education and training resources within the state to help meet the needs of their minority business owners.

- The State Departments of Education should be the prime movers in launching these state task forces.
    - A model that other states could follow is that of Virginia, which established such a task force in 1973 at the request of the office of the chief state school official.
- States establishing Task Forces should be assisted in their efforts by both the regional offices of the United States Office of Education and the State Offices of Minority Business Enterprise. Additional support should be made available from the national level.

ESTABLISH COORDINATION AT THE LOCAL LEVEL

Local communities should establish local education and training consortia. These local consortia should serve as catalysts in mobilizing the public, private and community resources needed to support the education and training effort. They should also serve as the prime source of support in the establishment of local delivery systems.

Business education and training programs

Implementing business education and training programs is the first priority of the Task Force. These programs are the vehicles for providing the requisite management and business skills to existing and potential minority entrepreneurs. The program content will supply the tools to enhance the probability of success in business.

At the same time, programs must be established to promote the possibilities of business ownership as a future career choice for minority youth, both within and outside the educational system.

The Task Force has matched the available resources to the requirements for developing the above programs, and has recommended guidelines for action. These guidelines involve such areas as curriculum development, course content, presentation methods, operational techniques, work experience programs, achievement motivation components, and technical assistance. A concerted effort at the federal, state and local levels is required to implement comprehensive minority enterprise education and training programs.

DEVELOP FUNDAMENTAL BUSINESS AND MANAGEMENT TRAINING CURRICULA

Private industry, postsecondary educational institutions, community based organizations, and the federal agencies working in the minority enterprise area should establish a Committee on Minority Enterprise Curriculum within FICE. Federal agency representation should include the United States Office of Education, the Office of Minority Business Enterprise, the

Department of Labor, the Small Business Administration, the Department of Agriculture, and the Department of the Interior.

- The Committee on Minority Enterprise Curriculum should develop a series of business management skills curricula designed to provide the requisite skills to existing and prospective minority entrepreneurs.

  - Private industry and business represented through trade and professional associations and individual firms should provide their practical knowledge of business and management techniques to insure that the curricula reflect the expectations of the business world.

  - Postsecondary educational institutions should provide their expertise in the field of business management education including all relevant curricula now being used.

  - Community based organizations which have existing minority enterprise education and training programs should be asked to provide the results of their curricula and teaching experience.

  - National educational associations should make their experience and resources in the business management field available.

  - The United States Office of Education should provide its expertise and resources in the area of educational techniques and methods in developing the curricula.

  - The Office of Minority Business Enterprise should identify the special needs of minority entrepreneurs and develop guidelines for the course contents.

  - The Department of Labor should provide its expertise and resources in the specialized areas of manpower planning, training, productivity, and management-labor relations.

  - The Small Business Administration should provide its existing education and training materials as potential models for specialized minority enterprise curricula.

- The Department of Agriculture should provide its expertise and resources in the area of farm ownership and rural economics.
- The Department of the Interior should provide its expertise and resources regarding the specialized needs of Native Americans, and its business opportunities within the National Parks Service.
- Other federal agencies involved in minority enterprise education and training should be requested to assist in the curriculum development, as deemed appropriate by the Committee on Curriculum.

- The Committee should develop curricula which, at a minimum, incorporate the following areas: economics, finance, management, planning, personnel management, marketing, operations, productivity, business law, taxation, management-labor relations, accounting, inventory, and written and oral expression.
  - Ethnic variations should be recognized in the curriculum design.
  - Adaptability to multilingual usage must be incorporated in the curriculum design.
  - Teaching materials must be developed which are adapted to the needs and tailored to the business environment of minority entrepreneurs.
  - Films, filmstrips, case histories and other readings must be developed which provide relevant material in all the course areas noted above.

The United States Office of Education should earmark a portion of its annual grants to postsecondary educational institutions to support efforts for improving curricula and teaching resources in the area of minority business education.

The private sector should assist in insuring that the needs of business ownership are met accurately in all curricula developed. These practitioners of business and management should determine whether the curricula reflect the real world.

- Representatives of various private industries must be consulted regarding the validity of the curriculum content as it relates to problems of the world of business.

- Professional and industrial organizations, such as the American Association of Certified Public Accountants, the American Bar Association, and Chambers of Commerce, should be consulted regarding the technical skills elements of minority enterprise education and training curricula.

DEVELOP ORIENTATION CURRICULA FOR USE WITH MINORITY YOUTH

The proposed Committee on Minority Enterprise Curriculum should develop curricula which will provide early introduction to business economics, venture initiation, and entrepreneurship for minority youth.

- The United States Office of Education should make every effort to have these curricula incorporated in the local school systems through the state departments of education.

- Successful existing curriculum models should be utilized whenever available, such as "career education" models.

Local school systems, through their respective state education departments, should join in a cooperative effort with the Curriculum Committee to develop the most effective curricula for use in the local schools. These curricula will orient minority youth to the possibility of business ownership as a career choice.

- A series of curricula for grades Kindergarten through 12 must be designed, the appropriate elements to be determined by local needs.

- Separate, specialized curricula must be designed for minority youth who are currently outside the established educational systems.

ESTABLISH A CURRICULUM CLEARINGHOUSE

The proposed Committee on Minority Enterprise Curriculum should serve as a clearing house for the extensive curricula and teaching models which currently exist, and those which are to be developed. The Committee will collect and distribute to interested organizations various curricula and teaching techniques developed specifically for the area of minority business enterprise.

The recently established national network of Occupational and Adult Curriculum Management Centers could serve as an operational model for this activity of the Committee on Minority Enterprise Curriculum.

DEVELOP PROCEDURE MANUALS FOR BUSINESS OWNERS

The Office of Minority Business Enterprise and the Small Business Administration should develop procedure manuals which describe business procedures and practices for use by minority business owners.

- The private sector, particularly industry and professional organizations, must be consulted in order to insure that the procedure manuals reflect the real business environment.

- These manuals must be tailored to the particular characteristics and needs of the minority entrepreneur, and must be made readily available.

  - The existing publications of the Small Business Administration should serve as models for special minority oriented manuals. The Starting and Managing Series should be updated.

  - The manuals must be designed for specific industries, areas of business, and geographical locations which best represent potential opportunities for the minority owner. These manuals must be kept up to date as new industries arise.

  - The procedure manuals should be distributed widely by the local offices of the various federal agencies, at no cost to the minority entrepreneur.

DIRECT EDUCATION AND TRAINING PROGRAMS TO THE SPECIAL NEEDS OF MINORITIES

Agencies, organizations, and institutions which are implementing business and management training programs for minority entrepreneurs must insure that the program content, presentation methods, and operational techniques reflect the special needs of minority populations.

- Courses should be provided at times and places convenient to the minority populations.
  - Classes should be held in facilities within the minority community.
  - Facilities should be centrally located to reduce travel time.
  - Mobile education and training facilities should be used to bring programs to minority entrepreneurs located in rural and isolated areas.
- Instructors should be professional teachers, or persons from the business community who are trained as teachers.
  - Instructors should be recruited from the minority business community when possible.
  - Instructors must be sensitized to the local community and local idiom.
  - Instructors must have a comprehensive understanding of business and economics. Training in these areas should be made available.
  - Instructors should be bilingual where appropriate.
- Special programs and curricula must be designed for minorities living in a rural setting. An additional goal of these programs is that they must have the effect of developing and strengthening the overall rural economies.

Minority educational institutions and others with a large number of minority students should be encouraged to improve their business and management curricula. These institutions should encourage and prepare their students to enter business ownership as a career.

INITIATE FORTY DELIVERY SYSTEMS IMMEDIATELY

The Office of Minority Business Enterprise, the United States Office of Education, the Department of Labor, the Small Business Administration, the Department of Agriculture, and the Department of the Interior should implement delivery systems in basic business and management training for minority entrepreneurs. These systems should be developed in conjunction with local business organizations and local education and training resources.

- A minimum of forty (40) such systems should be implemented across the nation, in both urban and rural settings in areas of maximum impact.

- The target date for implementation should be June 30, 1974.

INITIATE EIGHTEEN CAREER AWARENESS PROGRAMS IMMEDIATELY

The Office of Minority Business Enterprise, the United States Office of Education, the Department of Labor, the Small Business Administration, the Department of Agriculture, and the Department of the Interior, along with other appropriate federal agencies, should enlist the aid of local school systems in developing pilot programs in career awareness and career education for both youth and adults.

- A minimum of twelve (12) pilot programs should be implemented for minority youth at the elementary and secondary educationa levels, and for those outside the educational system.

- A minimum of six (6) pilot programs should be implemented for minority adults.

- These programs should be implemented in both urban and rural settings.

- Other federal agencies, such as the Department of Housing and Urban Development, the Department of Transportation, the Atomic Energy Commission, the National Aeronautics and Space Administration, the Department of Defense, and ACTION should be involved in developing and implementing these pilot programs when appropriate.

DEVELOP A DEGREE PROGRAM IN SMALL BUSINESS OWNERSHIP

The United States Office of Education, the Office of Minority Business Enterprise and the Small Business Administration should work with a select number of community and junior colleges and four year institutions in developing a two year program leading to an Associate degree in small business ownership.

- The community and junior colleges should be involved in developing the program curriculum.

- The federal agencies, the community and junior colleges, and the four year colleges should take the lead in disseminating information about such a degree program to the minority communities.

DEVELOP WORK EXPERIENCE TRAINING PROGRAMS FOR ENTREPRENEURS

Private industry should be encouraged to work with the Department of Labor, the Office of Minority Business Enterprise and the United States Office of Education in developing specialized programs to recruit and train minority entrepreneurial talent with the expectation that, after a specified work experience, these prospective entrepreneurs would seek to establish businesses of their own.

- Cooperative education, on-the-job training, and similar work experience programs could serve as models.

- The expertise of established corporations should be used to help potential minority entrepreneurs in planning their business ventures.

- Federal tax and other financial incentives should be developed to encourage private sector organizations to train minorities for positions in middle management and for eventual business ownership.

  - Emphasis should be placed on management as an entry point into business ownership.

  - Monies for concommitant academic education should be provided directly to the trainees.

  - Counseling and other supportive services must be components of these work experience programs.

- The National Alliance of Businessmen should be encouraged to participate in a management training program structured along the lines of the current JOBS program for manpower training.

- Spin offs from established corporations should be encouraged whenever possible as an end product of these work experience programs.

The Department of Justice, the Department of Labor, and the Office of Minority Business Enterprise should encourage federal, state and local correctional agencies to develop innovative programs to identify and prepare entrepreneurial talent among inmates for possible business ownership. These programs should include both pre-release and post-release activities.

The Department of Defense should provide work experience training to military personnel in commissaries and post exchanges so that they will be equipped for business ownership careers upon separation from the service. Project Transition should also incorporate a business education and training component.

Postsecondary educational institutions should emphasize work experience in business and management to their students as an entry point into business ownership.

Local school systems, national educational associations, and community based organizations should establish mechanisms to recruit and refer potential entrepreneurs to work experience training programs.

INCORPORATE ACHIEVEMENT MOTIVATION TRAINING IN ALL MINORITY ENTERPRISE PROGRAMS

Federal agencies should incorporate achievement motivation training as part of all funded education and training programs for minority entrepreneurs.

Postsecondary educational institutions, particularly graduate and undergraduate schools of business, should include achievement motivation training as part of their curricula.

The Department of Labor should incorporate achievement motivation training in its manpower training programs in an effort to identify potential entrepreneurial talent. The Department of Labor reaches the greatest number of minority persons in its programs, and could play a major role in referral to business education and training programs.

The United States Office of Education should incorporate achievement motivation training in its vocational-technical and career education programs in an effort to identify entrepreneurial talent.

USE MANAGEMENT TECHNICAL ASSISTANCE AS AN EDUCATIONAL AND TRAINING TECHNIQUE

The federal agencies should encourage the use of management technical assistance as a means of transferring technical business and management skills from experts to minority entrepreneurs.

- The Small Business Administration should include a specified amount of money for the purchase of management technical assistance services in its guaranteed loans to minority entrepreneurs.

- Management technical assistance must be made available to minority business owners, as necessary, with emphasis on their educational value.
- Funds for training employees should also be included when the size of the business warrants.

- The Office of Minority Business Enterprise should develop a series of management technical assistance packages, or "survival kits," for existing minority entrepreneurs.
  - These packages should each be designed to remedy specific business problems.
  - Emphasis must always be placed on the educational value of the assistance rendered. Transfer of skills to the entrepreneur should be a major goal.

- The Department of Labor should provide management technical assistance to existing minority entrepreneurs who are participants in JOBS, MDTA, coupled OJT, and other training programs of the Department.

DEVELOP MANAGEMENT TECHNICAL ASSISTANCE TRAINING TEAMS

Postsecondary educational institutions, community based business development programs, and national educational associations should develop management technical assistance training teams which will respond immediately to special business problems encountered by minority entrepreneurs.

- Small business consultants should assist in training and developing these teams.

- Minority business owners should be recruited to serve on these teams, with compensation.

- Assistance should be rendered on site whenever possible.

- Minority entrepreneurs must be trained to recognize and anticipate business problems.

Volunteer services of the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) should be used where advantageous.

Communication and outreach

Communication about minority business enterprise in general, and business education and training in particular, is a vital aspect of the Task Force's proposed comprehensive program. Business and management training programs will serve little purpose if they do not reach a significant number of persons within the target populations.

The communication and outreach function has three major thrusts:

- to disseminate information about business opportunities to existing minority entrepreneurs
- to make known the availability of business and management training programs to existing and potential minority entrepreneurs
- to communicate the possibilities of business ownership as a career choice to minority youth.

To these ends the Task Force makes specific recommendations for implementing communication and outreach activities. As with each segment of the comprehensive program, a combined effort of all resources at the federal, state and local levels will be required.

DISSEMINATE INFORMATION ABOUT BUSINESS OPPORTUNITIES

Federal agencies which contract for goods and services should disseminate their information to the broadest possible base.

- Each government agency should develop an internal program for disseminating information to minority business owners relative to potential business contracts. They should also make affirmative recruitment efforts.

- Special provisions for minority business contracting should receive additional publicity in the minority communities.

- Government publications, seminars, and procurement workshops can be primary vehicles for disseminating such information.

The Bureau of Indian Affairs should develop a program to acquaint American Indians with opportunities in business and the availability of ready markets through the "Buy Indian" Act.

DISSEMINATE INFORMATION ABOUT BUSINESS AND MANAGEMENT TRAINING PROGRAMS

Federal agencies should increase their dissemination of information to the minority communities about the availability and usefulness of business and management training programs.

- The Office of Minority Business Enterprise, through its Public Information Unit, should develop a series of public interest advertisements for television and other media involving minority enterprise and training, and should develop a brochure on minority business education and training.

- The Department of Defense should extend its current program to acquaint returning veterans and retirees with opportunities for business ownership.

- The United States Office of Education should develop an awareness program to acquaint American Indians with the business education opportunities made available to Indians by the Indian Education Act.

- The Small Business Administration and other federal agencies issuing guides and manuals on business should evaluate their publications to determine whether they are consistent with the minority population's needs, and whether these publications should be made multilingual.

- The Small Business Administration should determine whether its materials are responsive to the needs of minority businessmen.

- The Cabinet Committee on Opportunities for the Spanish-speaking should work closely with the Office of Minority Business Enterprise, the United States Office of Education and other government agencies in developing better ways to reach Spanish-speaking Americans concerning opportunities in business and management training.

State and local education agencies should also make every effort to communicate the availability and usefulness of such training to the minority communities.

Private industrial and professional organizations, including the national educational associations, should disseminate information about business education and training programs through their existing facilities, such as newsletters, house organs, trade journals, seminars, and annual meetings.

Youth organizations related to entrepreneurship and business ownership, such as Distributive Education Clubs of America, Future Business Leaders of America, Junior Achievement, and Future Farmers of America should be encouraged to increase the participation of minorities in their programs and to expand the educational services of their organizations to minority communities. Minority business education and training must become part of their agendas.

INCREASE AWARENESS AMONG MINORITY YOUTH

The United States Office of Education should work with the state education departments and local school systems in developing a program of awareness of career opportunities in business management and ownership involving parents, teachers, and guidance counselors.

State and local school systems and postsecondary educational institutions should insure that business ownership and management career opportunities are communicated to minority youngsters from kindergarten through grade twelve, in trade schools, and in colleges. These opportunities should also be communicated to minority youth presently pursuing other career paths.

- Minority success models should be used to involve greater numbers of minority youth in thinking seriously about business careers.

- The communications media should be requested to represent minorities as successful business owners and managers in advertising and other programming.

Existing communication channels should be used wherever possible, such as national educational and professional associations, state and local educational groups, local community development groups, community organizations, and news media.

INCREASE COOPERATION OF FEDERAL BUREAUS

Minority business education and training must become a policy concern within all federal agencies.

- All federal agency staff must be educated and sensitized to the goals and objectives of the minority enterprise education and training effort.

- The Federal Executive Board should insure that its regional staffs are properly sensitized to the significance and functions of the minority business enterprise effort, and to the needs of minority citizens trying to participate in the economic system.

Evaluation, demonstration, and research

Evaluation, demonstration, and research comprise the third major area of the Task Force's recommendations. Each is viewed as a necessary element within the proposed comprehensive program.

Evaluation is viewed as a critical activity for adjusting and refining program content and methods. It must be made an integral part of all minority business education and training programs. It is the means by which the overall effort will develop a memory, necessary for more effective implementation of programs in the future.

Specific education and training programs established under the guidelines of the Task Force may often be demonstration programs. Each program, due to the relatively recent interest in this entire area, will incorporate unique and innovative elements in the search for the most effective program approach.

Research activities are suggested to provide the benchmarks for planning and development and to determine the nature of the relationship between business education and training and the probability of success.

MAXIMIZE EFFECTIVENESS THROUGH EVALUATION

Federal agencies funding programs for minority business education and training must insure that an evaluation component is included as part of each program.

- The most effective programs or program components must be determined for replication.

- Evaluations should be made by third parties not involved in the program operation.

- The proposed Committee on Minority Enterprise Curriculum should develop a monitoring and feedback system whereby current evaluation data can be incorporated in the curricula and program designs.

The Office of Minority Business Enterprise, in conjunction with the United States Office of Education, the Department of Labor, and the Small Business Administration, should develop a general evaluation model to determine all aspects of program effectiveness.

The Office of Minority Business Enterprise should evaluate the pilot program in achievement motivation in order to adapt it more closely to the goals and objectives of the comprehensive education and training effort.

CONDUCT RESEARCH IN IMPORTANT AREAS

The federal agencies should engage in a joint effort to encourage research in a number of areas vital to the long range development of minority enterprise education and training. Some suggested research areas are:

- The nature of the relationship between education and training on the one hand, and success in business on the other.

This would include collecting empirical data on such items as:

- increase in earnings of the entrepreneur
- capital accumulation
- growth rates of sales and profits
- skills development.

- The views of existing minority entrepreneurs and managers, minority business students, and minority federal employees working in the area of minority business enterprise regarding the most relevant elements to be included in minority education and training programs.

- The career paths of students and graduates of business schools, including a measurement of success.

The National Institute of Education should sponsor a study designed to determine the most effective ways to reach the various racial and ethnic groups with information regarding opportunities in business education and training, and with the benefits to be derived from such training.

The Bureau of the Census should collect data by sex and ethnicity in the next Census of Minority Business.

Postsecondary educational institutions, local school systems, and educational associations should conduct research in minority enterprise education and training on their own initiative.

Institutions of higher education should encourage a wider interest among the academic community in the issues of minority enterprise education and training.

- Research projects in this area should fall within the purview of the Schools of Education as well as the Schools of Business.

- Research projects in this area should be encouraged among the appropriate faculties of disciplines in the Schools of Arts and Sciences, both graduate and undergraduate, among others.

COLLECT DATA ON BUSINESS OPPORTUNITIES IN HIGH GROWTH AREAS

The Office of Minority Business Enterprise should establish a special unit to identify high growth business opportunities for minority entrepreneurs which is accurate and up to date.

- These areas should include energy, health care, housing, education, ecology, day care, and recreation and leisure.

- This information should be moved immediately into the outreach and communication network.

The Department of Labor, through its Bureau of Labor Statistics, should include as part of its current statistical services data on areas of business growth.

Chapter six

DEVELOPING OPERATIONAL PROGRAMS

CURRICULUM DEVELOPMENT

BUSINESS MANAGEMENT: A MINORITY FOCUS

WORK EXPERIENCE PROGRAMS

ACHIEVEMENT MOTIVATION

TECHNICAL ASSISTANCE

DEVELOPING OPERATIONAL PROGRAMS

Establishing programs in education and training for minority entrepreneurs is one of the major objectives of the Task Force. These programs are the means by which existing and potential entrepreneurs will acquire the tools necessary for operating a business successfully, and by which minority youth will recognize and be attracted to business ownership as a possible career choice.

Programs of this kind encompass a number of elements, some of which are tried and tested and some of which are innovative and experimental. In every instance, combined national, state, and local resources will be required to implement these program elements to the extent necessary for the greatest impact.

Curriculum development

It will be necessary to establish a continuing mechanism for developing, collecting, and updating the curricula which will be used in conjunction with the education and training programs. The Task Force has recommended that a Committee on Minority Enterprise Curriculum be established to perform those functions and to serve as a central clearing house for curriculum and research data. Representatives of private industry, educational institutions, community organizations, and the federal agencies should serve on this Committee.

An Eclectic Approach

A good deal of curriculum material on business management already exists. Many community based organizations are currently conducting training in this area. Schools of business have a wealth of experience and materials. The Small Business Administration has developed special materials relating to small business ownership over the past twenty years. Building on these existing materials, special minority enterprise education and training programs will be developed.

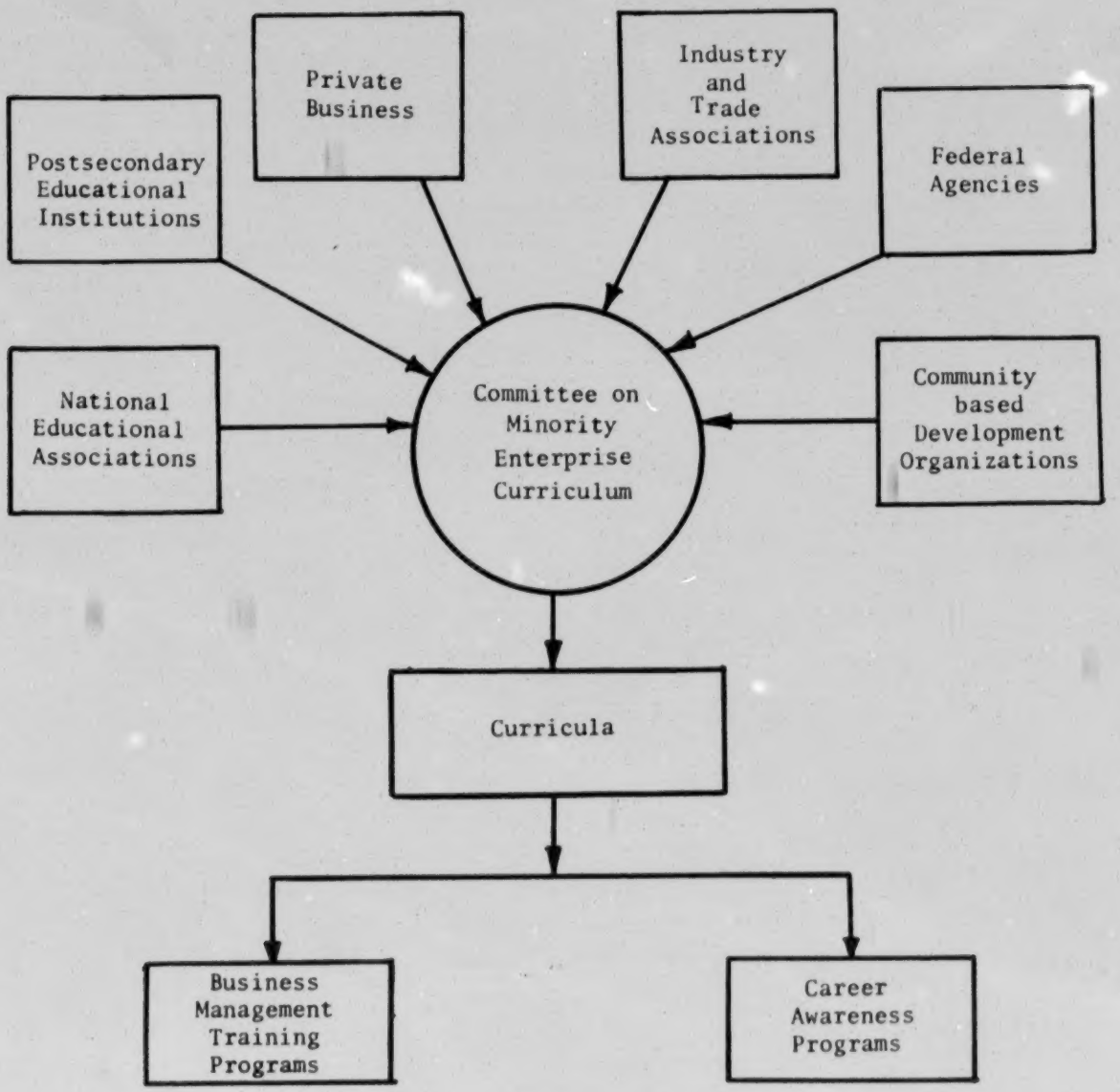
There is a need to review all existing materials and to fashion specialized curricula directed solely to the needs of minority entrepreneurs. The Committee should adopt an eclectic approach to developing these curricula and related materials, using the best work available from as many sources as possible. In the case of career awareness programs for minority youth, a whole host of innovative curriculum development possibilities exists.

Curricula as Teaching Tools

The subject areas for business management education and training have been identified by the Task Force, encompassing such topics as basic accounting, business law, inventory control, marketing, personnel and management, among others.

What is required now is the development of specialized curricula in each of these subject areas, tailored to the needs of minority entrepreneurs,

COMPREHENSIVE APPROACH TO CURRICULUM DEVELOPMENT



and providing structured teaching directions. These curricula should be designed with discrete learning modules for each subject area. Each module should include such items as topical outlines, instructional hours required, presentation methods, teaching materials required, audiovisual aids to be used, and suggestions for trainee participation. Above all, these curricula should incorporate trainee performance objectives for each learning module. The curricula should serve as the primary tools for the instructor to develop a plan for each training session.

Programmed materials, including computer assisted instruction and other technological teaching methods, should be incorporated in the curricula where feasible. The curricula should also be structured to accommodate an open entry-open exit training approach. The ultimate objective of all these curricula is to provide, in the most effective manner possible, the requisite knowledge and skills for successful business ownership.

The career awareness training directed to minority youth should insure that the area of business ownership receives the same attention in the school systems as do other career areas.

Business management: a minority focus

A key factor in providing effective education and training for minority entrepreneurs is the degree to which programs are tailored to the special requirements of the participants.

Unfamiliarity with much of the technical language of business and finance, coupled with deficiencies in educational skills, often places minorities at a disadvantage in a structured training situation.

Every effort must be made to design each program's operational components in a manner which responds accurately to the actual educational and skills development needs of minorities. Whenever possible, instructors should be recruited from the minority community, including successful minority business owners and professional teachers. Ease of access to the training for minorities is a critical element. Training courses should be held in facilities and at times which are convenient to the participating populations.

In addition, special attention must be paid to ethnic and cultural variations within the total minority population. The particular needs of each ethnic group and each local community must be attended to in operating a program. Whether a community is urban or rural, Black or Spanish-speaking will have a marked influence on the program design and presentation. If warranted, programs should be presented in the language or idiom of the participant population. In some instances, programs must be bilingual.

Work experience programs

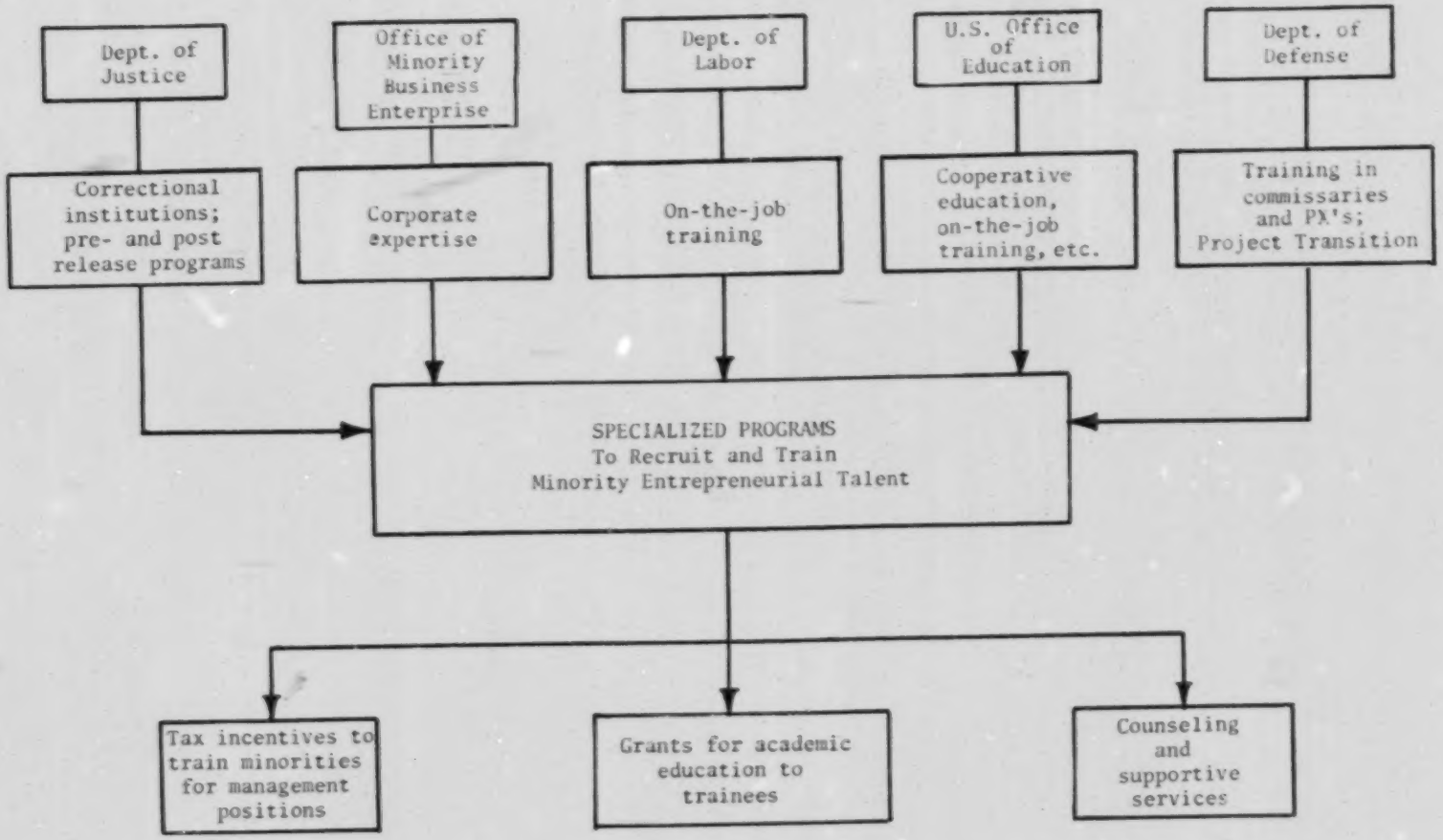
Work experience as a means of developing minority entrepreneurship is an area where private and public cooperation can have a dramatic impact. Management positions can be important entry points to entrepreneurship.

As managers in business, minorities can acquire a number of skills which are necessary for successful business ownership. They will interact daily with business owners and managers, from whom a great deal can be learned. They will also have the opportunity to learn by doing. Of particular importance is that they will be exposed to the real world of business, and will develop knowledge, attitudes, and subtleties of understanding which can only come through work experience. Minority managers will come to recognize the risks and benefits of business ownership, and will be able to make an informed judgement about their own entrepreneurial potential. Furthermore, as a manager in a particular industry or field, the minority person will develop a degree of expertise in that field. This expertise is invaluable for establishing one's own business.

The private sector must play a major role in instituting work experience programs. Its businesses and facilities will serve as training grounds for minority entrepreneurs. Experience and expertise of business firms should be used in planning the training programs, and in assisting minority managers to plan their specific entrepreneurial ventures.

Through tax incentives or training cost reimbursements the federal government must make such training attractive to private industry. A program structured along the lines of the National Alliance of Businessmen's and the Department of Labor's Job Opportunities in the Business Sector (JOBS) program for underemployed persons might serve as an initial model. A variety of cooperative education and on-the-job training programs should also be implemented.

SUGGESTED WORK EXPERIENCE TRAINING PROGRAMS


Dept. of Justice
Office of Minority Business Enterprise
Dept. of Labor
U.S. Office of Education
Dept. of Defense
Correctional institutions; pre- and post release programs
Corporate expertise
On-the-job training
Cooperative education, on-the-job training, etc.
Training in commissaries and PX's; Project Transition
SPECIALIZED PROGRAMS
To Recruit and Train
Minority Entrepreneurial Talent
Tax incentives to train minorities for management positions
Grants for academic education to trainees
Counseling and supportive services

Consideration should also be given to widening the scope of work experience programs as paths to entrepreneurship. Programs should be implemented for such groups as military personnel, inmates of correctional institutions, and students.

Achievement motivation

Achievement motivation training can be an important ingredient in the comprehensive minority enterprise development program. It is a means by which potential minority entrepreneurial talent can be identified and by which this talent can be honed to a useful edge.

Many of the minority entrepreneurs who testified at the public hearings of the Task Force cited the beneficial results of having received such training. They were able to gain valuable insights into their own motivational dynamics which were helpful in their business operations.

Achievement motivation training as applied to minority enterprise development is a technique for assisting minorities to recognize their entrepreneurial motives and to apply these motives to the world of business ownership. It should be viewed as one additional tool for stimulating minority enterprise development.

Technical assistance

Management technical assistance has generally been provided to minority entrepreneurs in business trouble. While a number of sources have

provided such services, this has generally been on an ad hoc basis. Management and financial specialists would arrive at the shop, attempt to correct the problem, and leave the enterprise in somewhat better shape. However, many of the problems are recurring and not easily solved by a few visits by a volunteer consultant. After such counseling, the minority business owner's management skills are not greatly improved.

The concept of technical assistance must be expanded. To have a long range and important impact, technical assistance must be viewed as an educational and training method. Some professional business and management skills can be transferred from the expert to the entrepreneur at the time the assistance is rendered. A step by step explanation by the expert of procedures, supported by a practical framework, should occur whenever technical assistance is provided to minority entrepreneurs. In this manner, a degree of management self sufficiency will be developed, and recurring problems will emerge less frequently. Salvage operations will be replaced by educational experience.

Ideally, funds for purchasing technical assistance would be included as part of all minority business loan packages or provided without cost to the entrepreneur. Private and public lending agencies should recognize the educational potential of technical assistance and assist in insuring that it is made available as required.

Chapter seven

GETTING THE MESSAGE ACROSS

RECRUITING PARTICIPANTS

PUBLICIZING BUSINESS OPPORTUNITIES

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GETTING THE MESSAGE ACROSS

An essential ingredient in the comprehensive education and training program is a communication and outreach system designed to reach the target minority populations. This system will involve a variety of functions and methods to achieve a significant impact. The communication and outreach system should involve recruiting participants for the various programs, publicizing current opportunities in business, and eliminating adverse stereotypes which have impeded minority business development.

Recruiting participants

Programs for minority business development are effective only if their existence is known by the intended target populations. Informing entrepreneurs about the education and training services available must be an integral part of the comprehensive program to expand minority enterprise ownership. Recruitment methods must be developed which reach the broadest possible base. Where appropriate, program information should be disseminated in the appropriate language of the local ethnic or social group.

For each program established, a recruitment mechanism must be instituted which reflects the realities of the community. Local and neighborhood business associations can play a major role in disseminating information about the availability of business management training, and can also serve as referral sources. The national educational associations can also serve as major referral sources through their official publications, national conventions, and operational programs.

The media should be leading contributors to the recruitment effort. They should provide public service advertising space or time, announcing the existence of programs and their locations. Ethnic and foreign language newspapers, radio and television stations, and other publications should be the primary vehicles for this advertising.

Each operational program should mount its own advertising campaign in conjunction with developing media participation. Personal contacts, direct mailings, handbills, and posters should all be used to attract existing and potential entrepreneurs to the program.

As the comprehensive program develops, and a delivery and coordination system evolves, federal agencies sponsoring the programs should develop a series of recruitment materials which can be made readily available to the target populations. In all instances, the goal must be to make the services easily accessible to the greatest number of minority entrepreneurs.

Publicizing business opportunities

Publicizing existing and potential business opportunities to minority entrepreneurs is also an important aspect of the communication and outreach effort. Federal, state, and local government agencies, in addition to private industries, are major purchasers of goods and services. Many special contractual arrangements are available to minority businessmen as part of the national effort to increase minority business ownership. Almost every government agency has some provision for special procurement and set aside contracts for minority enterprises. Unfortunately, many business

owners are not fully aware of these business opportunities or how to take advantage of them.

A vigorous effort must be made to acquaint minority entrepreneurs with the potential for doing business with the government and private industry. Government agencies must undertake a more intensive effort to publicize these possibilities in a manner which is likely to attract the minority entrepreneur. In some cases the entrepreneurs must be shown how to qualify for possible contracts. The Office of Minority Business Enterprise and the Small Business Administration should take the lead in getting this message across to the target populations.

Eliminating stereotypes

A major obstacle facing minority business owners is the preconceived notion that they cannot function effectively in the world of business. Many persons, both minority and non-minority, believe that products manufactured or services rendered by minority companies are of lower quality. Another common stereotype is that any business operation above the level of a "mom and pop" store is outside the realm of minority capabilities. Because of these stereotypes, minority businesses are often perceived as inherent financial risks.

While these stereotypes have been discredited, the residual effect they have had on American thinking continues to be a major obstacle facing the minority entrepreneur today.

The need to eradicate all remnants of these stereotypes in both the minority and non-minority communities is of paramount importance. This is especially true in any attempt to influence minority youth to consider business ownership as a possible career choice. If minority youth continue to perceive owning a successful business as impossible, the long range growth potential of minority business enterprise will be seriously thwarted.

The Role of the Media

The impact of mass media on American attitudes is well known. The media's influence in shaping values and opinions has no equal. A major role must be played by the media in eliminating the deleterious stereotypes of minorities.

Minorities must be represented positively in television and radio programming and advertising. These media should cast minorities as successful business owners and managers in the same fashion as other groups are portrayed. This will promote a positive identification for minority youth and reduce the feeling of impossibility of attaining business and financial success.

A key factor in changing attitudes is convincing majority business owners to do business with minority firms. An exchange and flow of dollars between majority and minority businesses will go a long way toward eliminating old stereotypes.

The Role of the School Systems

An important function of career awareness programs in the local school systems is to eliminate stereotypes. Minority business success models should be used in teaching and career counseling so that positive attitudes toward business ownership are generated among minority youth. Parents, teachers, and guidance counselors play a crucial role in this effort.

The Need for a Total Effort

Eliminating deep rooted stereotypes is not an easy task. However, to promote successful minority business development in existing, potential, and future entrepreneurs will require the elimination of these beliefs. The elimination process will require the efforts of all segments of the American community.

Chapter eight

EVALUATION, DEMONSTRATION, AND RESEARCH

EVALUATION AND RESEARCH: TO WHAT END?
PRIORITIES SHOULD REFLECT A SENSE OF URGENCY
PROGRAM EVALUATION: DEVELOPING A MEMORY
DEMONSTRATION PROGRAMS
RESEARCH PROJECTS
FEDERAL LEADERSHIP AND COORDINATION
AN INTERDISCIPLINARY APPROACH IS REQUIRED

EVALUATION, DEMONSTRATION, AND RESEARCH

To date, very little evaluation or research has been undertaken in the overall minority enterprise development effort. Almost no expenditures have been made for evaluation and research in the area of education and training.

The Task Force considers evaluation, demonstration, and research as essential to the development of an effective program in education and training for minority enterprise. Ideally, these investigative activities should provide the underpinnings for planning, designing, and implementing a total minority enterprise effort. Particularly in the area of education and training, these activities should provide the base from which to launch innovative programs, and to adjust, refine, and improve programs in operation.

Evaluation and research: to what end?

While there is general agreement that evaluation, demonstration, and research activities are necessary corollaries to any significant minority enterprise development effort, the degree and direction of these activities must be defined more clearly. Since the major objective of the Task Force was to formulate an action program, it examined evaluation, demonstration, and research from that perspective.

Evaluation and Research Must Have an End Product

Simply stated, the overall goal of the Task Force was to establish programs of education and training which would enhance the prospects for successful business enterprise development among the minority population. The need for education and training must be responded to quickly, and only activities which serve this end should be incorporated in the initial effort.

Therefore, each project, whether it is an evaluation component of an operational program, a demonstration project designed to test innovative educational methodologies, or a research project designed to collect empirical data, must meet the test of providing a useful, programmatic end product. This end product must be a stimulus to action. Something must happen as a result of the activity, such as initiation of new programs, adjustments in existing operations, inclusion of new materials in curricula, or refinements in methods of delivery.

Resources Must Not Be Wasted

Resources in the area of minority business development historically have been scarce. While the resources are expected to increase in the near future, they will probably not be enough to meet the actual need. Therefore, there must be a judicious allocation of available resources to maximize the impact on present and potential minority entrepreneurs.

In the area of minority business education and training, all resources allocated for evaluation and research activities must be closely

interrelated to the operation of programs and the delivery of services. In order to insure that these investigative activities have redeeming value, they must be rigorous in their design and conduct. They must clearly describe their value for, and projected impact on, increasing successful minority entrepreneurship.

Funding sources in this area must avoid supporting evaluation and research which can become ends in themselves. There is a tendency for some of these activities to become self sustaining, with one project feeding off the previous one. When this situation is allowed to exist, evaluation and research become dysfunctional with respect to achieving the major goal. They must serve always as functional tools for increasing the effectiveness of minority enterprise education and training and the probability of business success.

Priorities should reflect a sense of urgency

In view of the urgent need for successful minority enterprise development, priorities of investigative activities become self evident. The need for maximum utilization of resources dictates the varying emphases placed on evaluation, demonstration, and research. Based on the immediate need to implement useful education and training programs, emphasis must be placed on short term determination of program effectiveness.

Many of the programs recommended by the Task Force will be of a demonstration nature insofar as special curricula, instructional methods,

and training approaches are applied to special target minority groups. These programs will be developed primarily from knowledge that already exists in the field. However, the implementation of these programs on a nationwide scale, and the proposed development of even more specialized and sophisticated materials and systems will require a comprehensive assessment of effectiveness. These new education and training programs must be refined and adjusted continually as additional information becomes available.

The immediate need for education and training support to minority entrepreneurs does not allow time for long term research and the collection of a complete data base prior to implementing programs. While these are essential ingredients within the comprehensive program, the first priority must be to insure that the most effective techniques are used to develop business and management skills for existing, potential, and future minority entrepreneurs.

Program evaluation: developing a memory

Implementing a series of programs in business education and training for present and potential entrepreneurs is the immediate objective of the Task Force. There is an attendant need for short term evaluation of each program. To some degree the early pilot programs will be conducted on a trial and error basis. Continuing evaluation and monitoring will be required to upgrade and refine these programs. These evaluations will be the means by which the comprehensive program will evolve, constantly changing,

and developing a memory as more information about successful and useful programs is made available.

A plan for evaluation and monitoring should be included as an integral part of every minority enterprise education and training program. Each plan must be designed to measure program effectiveness. Both the internal and external elements of all programs should be examined. The evaluation must be able to identify program weaknesses readily and to recommend appropriate changes in program operations as the situation warrants.

The overall aim of each evaluation is to enhance the effectiveness and relevance of minority enterprise education and training programs by providing a measurement of their success in developing the requisite skills of the participants, and the relationship of these skills to the requirements and demands of the business world. For future entrepreneurs, the degree to which career awareness and motivation toward entrepreneurship has been enhanced must be examined. The evaluations must analyze the purpose, the content, and the process of the programs and determine what changes, refinements, and additions should be considered for future use.

At a minimum, evaluations of minority enterprise education and training programs must include the following elements:

- Relevance. The relevance of the education and training programs to the actual skills required in the world of business ownership must be examined. The relevance of career awareness training to the opportunities which exist in high growth areas of business must also be ascertained.

- Effectiveness. The effectiveness of the programs to provide participants with the skills required for business ownership, or the degree to which awareness of business as a career choice is enhanced, must be determined.

- Techniques. The instructional and administrative techniques and methods worthy of replication must be identified.

- Refinement. The factors which have negative effects on program quality and relevance must be eliminated, and those which produce positive results must be enhanced and incorporated in future programs.

Demonstration programs

The minority business education and training effort is essentially a fledgling area of concern. Since the goal of the Task Force is to establish a working system of education and training programs immediately, many of the programs established will be of a demonstration nature. In responding to the urgency of the current situation, a good deal of the initial programming activities will be established on a trial and error basis. It is expected, however, that immediate and short term evaluation will rectify the shortcomings that will inevitably appear in the program's beginning stages. The ultimate goal is to identify a program design and content which has wide application, a high probability of success, and is replicable.

A central focus of the demonstration programs will be the various methods and techniques adopted to meet specific needs of the diverse minority populations. The presentation techniques and the operating style of

the programs will take many forms, based on the current variety of approaches in education and training. The orientations and expertise of the administrators and staff of different programs will dictate the approach adopted. The demonstration variables that will come under scrutiny in the concommitant evaluations include such items as curriculum content, teaching materials and technology, skills of the instructional staff, techniques of instruction, facilities, hours of instruction, and various other resources used.

The proposed Committee on Curriculum should serve as a clearing house for the results of these demonstration projects. The most appropriate techniques and methodologies for implementing programs will be identified and disseminated.

Research projects

The need for research in minority business education and training must not be underestimated. The Task Force recognizes that, if basic research had begun a decade ago, today's comprehensive program would be much easier to advance. Research is essential for a successful, sustained, and evolving education and training effort. However, given the scarcity of resources, research in this area must be conducted in harmony with the goal of developing more effective and farreaching education and training programs. A number of suggested research projects which fall within these guidelines are described briefly in the Appendix of this Report.

Developing a Data Base

The absence of an accurate and up to date data base on minority economic development in general, and education and training in particular, is one of the major problems facing the researcher. It is essential that these data be collected and arrayed as soon as possible. A series of benchmarks for minority business enterprise must be generated against which future developments can be measured, and from which future program planning can emerge. A system for ongoing data collection must also be established.

It is particularly important to update the Census of Minority Business, including additional ethnic, racial, and sex differentiations. Very little data currently exist on the specific business ownership status of Asian-Americans, Native Americans, or minority women. The greatest degree of specificity in these areas must be obtained. Business success variables must also be attended to in collecting these data.

Innovative Techniques and Methods

The Task Force encourages research in the specialized area of educational methodology. Developing innovative and experimental instructional methods for transferring skills, or increasing awareness and participation, should be a major research concern. The incorporation of a sophisticated educational technology, including programmed instruction, open entry-open exit approaches, and learning modules, into the comprehensive program is a major objective of the Task Force.

Measuring Success

The degree to which business management education and training leads to the acquisition of certain skills important to success in business is an area of particular concern to the Task Force. It is known that business failure is often attributable to a lack of these skills. But, conversely, to what extent does having these skills insure business success, if any? Or obversely, does a lack of these skills generally lead to business failure?

Research in this area must be conducted to understand more fully the nature of the relationship of education and training to business success. What program elements are especially critical in promoting success, which are unimportant, and which have negative implications are questions which ought to be examined.

In addition to establishing a precise operational definition of success, research activities in this area must seek to develop a "profile of a successful minority entrepreneur" from which specific programmatic refinements can be made.

Additional knowledge is needed about the psychological characteristics of successful entrepreneurs. What individual aptitudes are required, how they can be identified, measured, and strengthened, and how latent talent can be detected are all issues which should be addressed.

Other Research Areas

There are a number of research areas which are not directly related to business management education and training, yet when incorporated with education and training research will provide insights into the total import of the Task Force's comprehensive program. Among these areas are: measuring the impact of the programs on the social and economic status of the community and the nation; the impact of various motivational training techniques on the individual; surveys of existing programs; minority higher education; and projections of minority business opportunities. While not priority matters, the Task Force encourages research in these and related subject areas.

Longitudinal Studies: A Consideration

One of the striking drawbacks of research conducted over the long term in an area such as minority enterprise development is that the framework within which it is designed and conducted can rapidly become obsolete. The external conditions which prompted the study in the first instance may undergo drastic changes over an extended time period, thereby rendering the study and its hypotheses moot. Economic conditions, social values, and minority needs may be radically different at the end of the next decade, as they are different today from ten years ago. In view of the present scarcity of resources, these factors must be taken into consideration by the funding agencies when they determine the functional utility of longitudinal studies.

A Note on Experimentation

Many of the research projects will be experimental in nature. However, experimentation must not be carried too far. Minorities have already been subjected to overexperimentation. In no instance should experimentation be encouraged which requires some minority persons not to receive the benefits which are the ultimate objective of this Task Force effort. Research should focus on identifying trends, tendencies, and relationships among the participating populations and the variables under study. The notion of "change" in the participants over time is a key issue which must be addressed.

The experiments must have no negative impact on the minority populations, but rather must serve continually to upgrade the services provided under the program objectives. This will require a good deal of innovative and creative research methodology.

Federal leadership and coordination

Research is another area in which federal leadership and coordination is most important. The Task Force recommends that the Interagency Council and FICE, in conjunction with the Office of Minority Business Enterprise and the United States Office of Education, establish a research coordination mechanism which will attend to the research needs of minority business enterprise and its education and training components.

It should focus on:

- designing a comprehensive master plan for research which would establish priorities and develop a methodology for synthesizing research results.
- developing a statistical series on a variety of minority enterprise education and training variables.
- establishing a clearing house for cataloguing and evaluating research and research capabilities.
- publishing periodically a list of research needs to increase the productivity of research efforts and reduce unnecessary duplication.
- publishing a periodic report on research findings and current research activities to insure that there is a free exchange of knowledge among researchers and that prompt use is made of research results.

An interdisciplinary approach is required

Minority enterprise education and training is a complex area. It requires creative and original approaches in evaluation, demonstration,

and research. The Task Force encourages a variety of techniques and methods of inquiry so that a wide spectrum of thinking in this area can be brought to bear on the problem. Specialists in the areas of business, education, training, programmed instruction, curriculum, minority populations, systems analysis, entrepreneurship, and a myriad of other fields should develop evaluation and research designs which address the major issues in this field.

It is expected that work in this area will provide a fuller understanding of the dynamics of minority enterprise development in general, and education and training in particular. The data collected will provide the necessary guidelines for future policy making and planning of minority business enterprise programs.

Chapter nine

DELIVERING SERVICES AT THE LOCAL LEVEL

FEDERAL LEADERSHIP

STATEWIDE TASK FORCES

LOCAL DELIVERY SYSTEMS

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DELIVERING SERVICES AT THE LOCAL LEVEL

The target groups for minority enterprise education and training programs are the existing, potential, and future entrepreneurs in local communities across the nation. To reach these target groups there must be a delivery capability which permits the flow of resources from the federal and state levels into various local community systems.

However, before local communities can benefit from the support available at the federal and state levels, there must be a coordinated plan to mobilize and direct the vast resources to improve and expand minority enterprise education and training.

Federal leadership

Minority enterprise development has received its greatest impetus from the federal government. Developing education and training services will also require strong leadership at the federal level.

The first step toward creating a nationwide education and training effort is to establish clear direction at the federal level. There must also be increased coordination and cooperation among the federal agencies contributing to the minority enterprise program. At present, the Interagency Council on Minority Business Enterprise is charged with coordinating government activities in this area. The goal of the Council is to direct government agency resources toward meeting the needs of minority business development.

The Interagency Council should establish a Special Implementation Committee to carry out the recommendations of the Task Force and to initiate a nationwide education and training program. With representation of some twenty government agencies at the Under Secretary level, the Interagency Council can generate the kind of cooperation and coordination required to maximize the impact of federal resources.

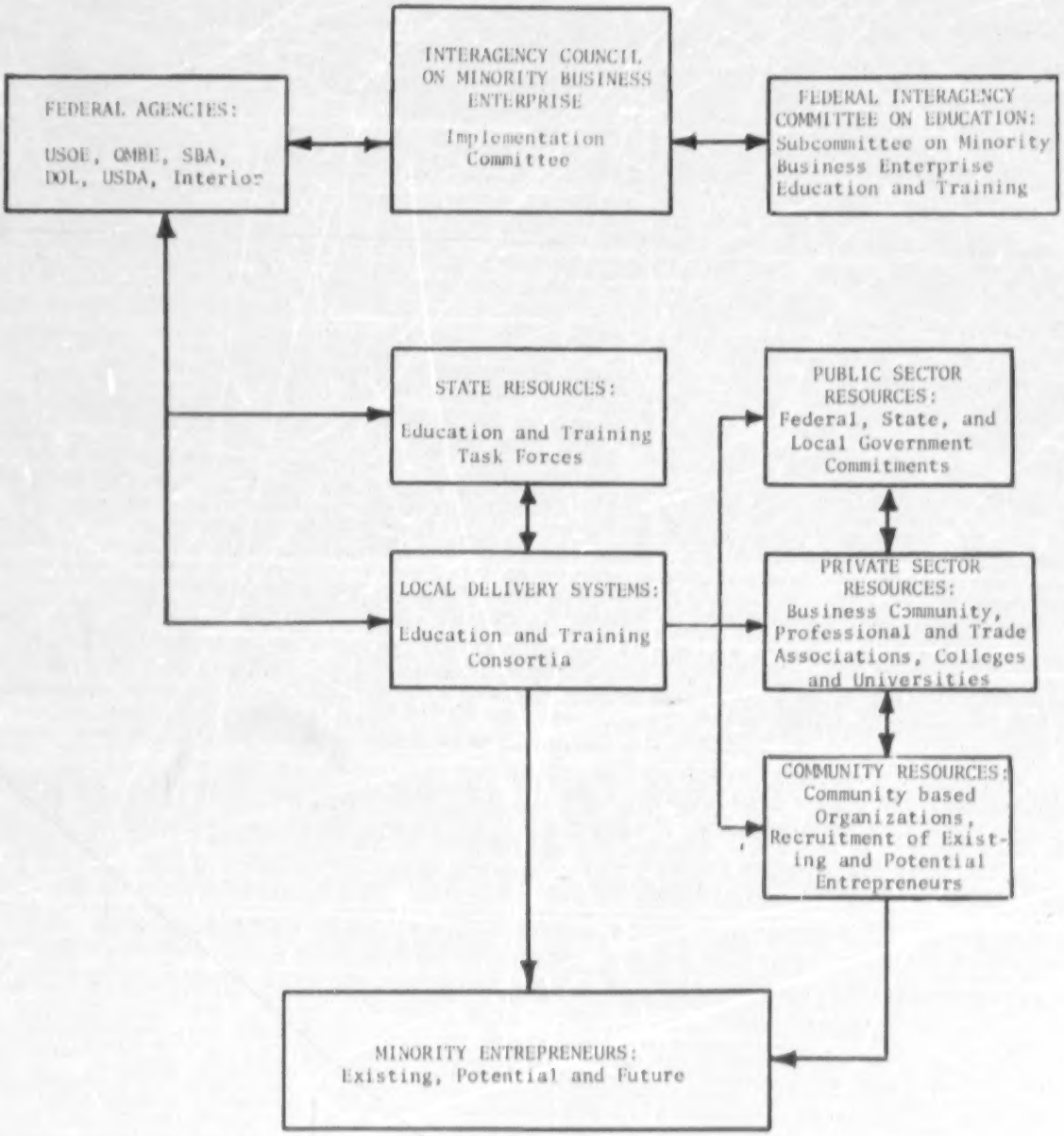
In addition to the Interagency Council, a Federal Interagency Committee on Education (FICE) coordinates the educational activities of all federal agencies. At the request of the Task Force, FICE has established a Subcommittee on Minority Enterprise Education and Training. This Subcommittee can assist each federal agency in examining its existing or potential role in aiding minority enterprise education and training. FICE can also provide direct assistance to the Interagency Council in formulating education and training priorities and marshaling support required to put programs into operation.

Under the leadership of the Interagency Council, and through the support of FICE, the leadership role of the federal government can be effectively carried out. With federal agency coordination and cooperation, unnecessary overlap and duplication of services can be prevented. The flow of services to activate state and local resources can move smoothly.

Statewide task forces

To mobilize the resources at the state level, the Task Force has recommended that state education departments establish task forces on

DELIVERY SYSTEM (Activating Resources)


FEDERAL AGENCIES:
USOE, OMBE, SBA, DOL, USDA, Interior
INTERAGENCY COUNCIL ON MINORITY BUSINESS ENTERPRISE
Implementation Committee
FEDERAL INTERAGENCY COMMITTEE ON EDUCATION:
Subcommittee on Minority Business Enterprise Education and Training
STATE RESOURCES:
Education and Training Task Forces
PUBLIC SECTOR RESOURCES:
Federal, State, and Local Government Commitments
LOCAL DELIVERY SYSTEMS:
Education and Training Consortia
PRIVATE SECTOR RESOURCES:
Business Community, Professional and Trade Associations, Colleges and Universities
COMMUNITY RESOURCES:
Community based Organizations, Recruitment of Existing and Potential Entrepreneurs
MINORITY ENTREPRENEURS:
Existing, Potential and Future

minority enterprise education and training. Using the Report of the national Task Force, these statewide task force groups should examine current activities in their states to determine what is being done to support minority enterprise education and training. At the same time, these state groups should explore ways to incorporate initiatives recommended by the national Task Force within their educational systems.

After they are organized, state task forces should work with local resource groups in generating support for education and training services to be carried out in local communities.

Local delivery systems

Local delivery systems will identify the education and training needs of the minority entrepreneurs in their area and match resources to meet those needs. To accomplish this mission, local communities will form education and training consortia consisting of public, private and community based resources.

Delivery systems at the local level will vary in structure, composition and operating procedure since each community has different characteristics and unique strengths. In some areas, existing organizations can be used. In other communities a new delivery mechanism will be required.

In developing a delivery network, each local organization will work closely with government agencies, the minority community, academic institutions, trade and professional groups and state and local school boards.

The delivery network will also involve a close working relationship with the business education and training specialists of the local Business Development Organizations. Regional offices of the Office of Minority Business Enterprise and the United States Office of Education will provide additional support.

Education and training priorities will be established locally, and most of the teaching resources will be locally recruited. Where needed, initial financing is expected to come from the federal government supplemented by state and local support.

While each local community will have primary authority in initiating new education and training programs, use should be made of applicable teaching models and materials developed by other organizations. Each local community will be assisted in obtaining the details of existing education and training programs which have experienced success in developing management and business skills for minority entrepreneurship.

The design of local programs should have great flexibility, allowing for revisions and refinements as more data on other successful programs become available. Program development must also allow for varying local conditions. The differences among minority populations and the degree of cooperation among the government agencies, the private sector, and the academic community will have an impact on the design of programs. The characteristics of the existing, potential, and future minority entrepreneurs must also be taken into account in designing optimum delivery systems.

DELIVERY SYSTEM COMPONENTS

RESOURCES

Federal Government

- Leadership
- Financing
- Coordination
- Dissemination

Private Sector

- Technical Expertise
- Financing
- Work Experience Programs
- Job Opportunities
- Management Positions

State & Local Governments

- Mobilizing State and Local Educational Systems
- Financing

Colleges and Universities

- Teaching and Curricula
- Education and Training Programs
- Research and Demonstration

National Educational Associations

- Activating Nationwide Membership
- Providing Supporting Services
- Conducting Programs

LOCAL DELIVERY SYSTEM

Developing Comprehensive Plan

- Adapted to Local Needs and Opportunities

Obtaining Commitments of Resources

Mobilizing Resources

- Business
- Federal Government
- State and Local Governments
- School Systems
- Colleges and Universities
- Professional and Trade Associations
- Community based Organizations

TARGET GROUPS

Private Individuals

- Existing Entrepreneurs and Managers
- Potential Entrepreneurs and Managers
- Future Entrepreneurs and Managers

Community Organizations

- Community Development Corporations
- Other Development Groups

Cooperative Groups

- Urban
- Rural

Development of comprehensive local delivery systems will include the following steps:

- Developing a comprehensive plan of action, including a clear statement of goals, operational methods and an evaluation procedure to provide a measurement of program effectiveness.

- Consulting with the minority community, academic institutions, local school boards, business and industry, and trade and professional associations.

- Establishing local education and training consortia.

- Identifying local needs and strengths, including available academic and community based program and teaching resources.

- Obtaining resource commitments from government, the business community, the academic community, local and state boards of education, and professional and trade associations. Resource commitments should be obtained for a minimum period of three years. During this period, means of institutionalizing the programs should be developed.

- Launching a communication effort to prepare both minority and non-minority communities for the initiation of the program.

Chapter ten

RECENT INITIATIVES AND PROSPECTS FOR THE FUTURE

ACCOMPLISHMENTS TO DATE

FUTURE DIRECTIONS

RECENT INITIATIVES AND PROSPECTS FOR THE FUTURE

The urgent need for education and training services motivated the Task Force to consider programs and activities that might be launched immediately to support minority enterprise efforts. From the inception of the Task Force, debate and deliberation centered around establishing priorities, examining needs and identifying resources required to produce action. As a result of the momentum generated, a number of education and training programs and pilot projects were initiated during the life of the Task Force.

Accomplishments to date

As a result of findings made and directions charted by the Task Force, the beginning character of a national education and training program for minority entrepreneurship began to take shape during the past two years. Important initiatives have emanated from the Task Force's work. The Task Force:

Created a National Awareness of the Need for Minority Enterprise Education and Training. In bringing together resourceful individuals from the government and private sectors, educational institutions, and the minority community, a national awareness has been created supporting the need to provide education and training opportunities for existing, potential and future minority entrepreneurs.

Held Public Hearings to Obtain Information Directly from the Minority Community. As a means of obtaining the thinking of the minority groups themselves, the Task Force held Public Hearings in six major cities and received the testimony of business owners, educators, bankers and directors of programs providing education and training services for minority entrepreneurs. Cities selected were Atlanta, Albuquerque, Los Angeles, Miami, New York, and San Francisco where major segments of one or more of the target minority groups are located.

Initiated Pilot Education and Training Programs. Task Force recommendations resulted in the initiation of several pilot education and training programs. Included were the establishment of education and training components in three Local Business Development Organizations and the funding of an achievement motivation training program designed to train "trainers" who would be capable of providing achievement motivation training to existing or potential minority entrepreneurs.

Energized National Educational Associations. As a result of Task Force participation, a number of the national educational associations have decided to make minority enterprise education and training support a major program objective.

Developed an Education and Training Matrix. The Task Force efforts resulted in the formulation of an education and training matrix designed to define the universe of minority enterprise education and training need. The components of this matrix include the identification of the minority target populations, education and training programs required by each population, the geographic boundaries of each target group, and the ordering of priorities to serve each group.

Established Linkages Between the Office of Minority Business Enterprise and the State Education Departments Throughout the Country. Representatives of the two groups are combining efforts to help mobilize resources to support local education and training program development.

Future directions

Minority enterprise development should remain a top national priority until minorities are equitably represented in the American business system. To enable existing minority businesses to survive, and to increase the number of new establishments, will require an expansion of the current public and private efforts.

An increase in the number of minority businesses, however, is not an accurate gauge of success. The quality of these enterprises and their potential for growth will be the long run measurement of whether minorities will participate fully in the mainstream of American economic life. The crucial factor for qualitative growth is the management and business skills of the minority owners and managers.

Future growth of viable minority enterprises, therefore, depends directly on the supply of trained ownership and management talent. The Task Force strongly urges that a comprehensive education and training effort be undertaken immediately to insure that existing, potential and future minority entrepreneurs develop the skills and discipline required to compete in a business environment that becomes increasingly complex with the passage of each year.